

June **NATION'S** 1945

BUSINESS



TO THE AMERICAN PEOPLE:

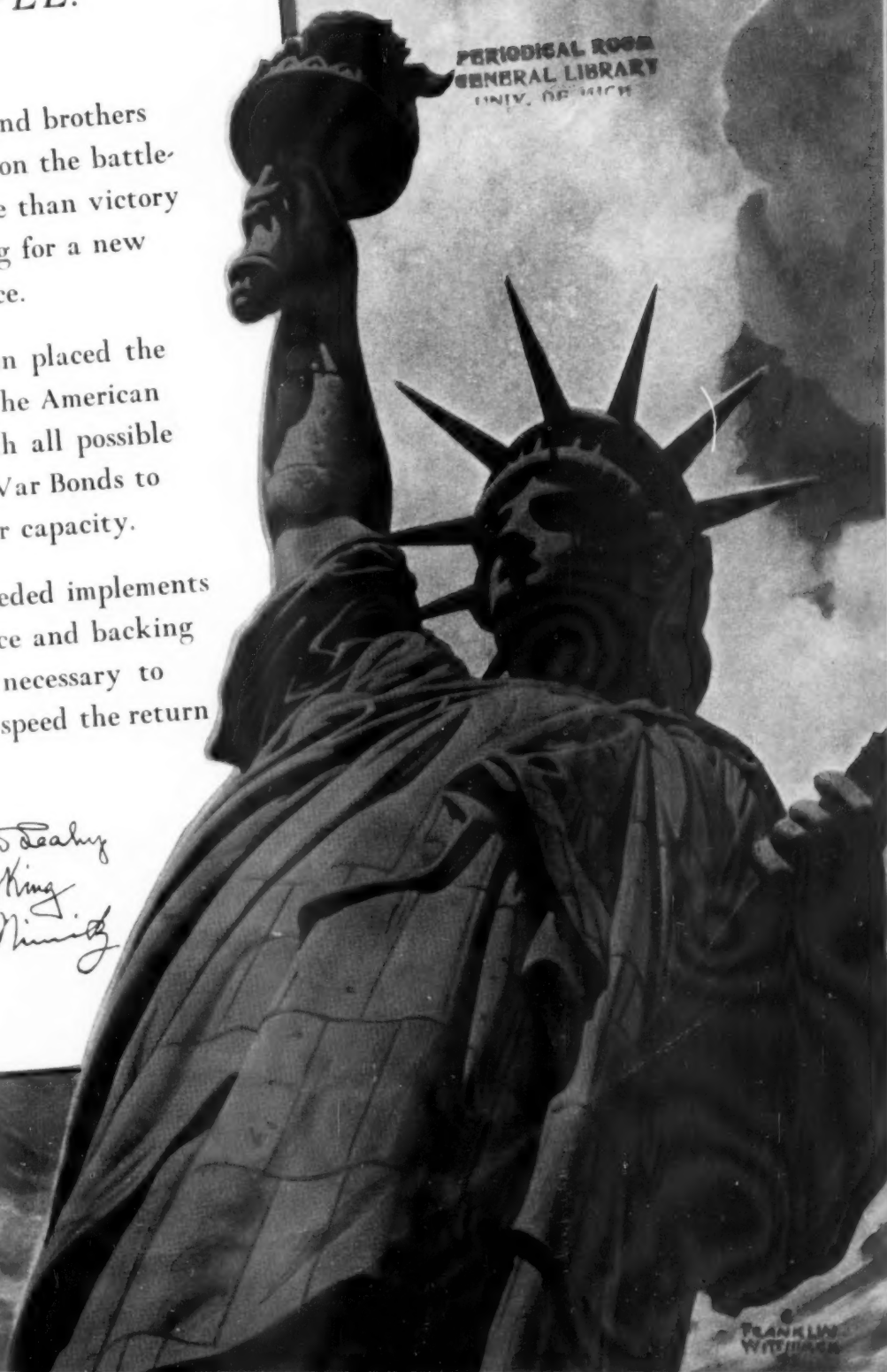
YOUR SONS, husbands and brothers who are standing today upon the battlefronts are fighting for more than victory in war. They are fighting for a new world of freedom and peace.

We, upon whom has been placed the responsibility of leading the American forces, appeal to you with all possible earnestness to invest in War Bonds to the fullest extent of your capacity.

Give us not only the needed implements of war, but the assurance and backing of a united people so necessary to hasten the victory and speed the return of your fighting men.

William B. Sealy
Douglas C. Austin
Dwight D. Eisenhower
W. M. Winnick
H. H. Arnold

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"Your America"



...The peaks of the Sawtooth mountain range overlook a great expanse of forest, lakes and singing streams known as Idaho's "primitive area," one of America's finest fishing and hunting grounds. And, nearby, is far-famed Sun Valley where, in peacetime, vacationists enjoy year-'round sports.

Today, the people of Idaho...infused with the pioneering spirit of individual enterprise that developed the state's natural resources...are producing ever-increasing quantities of essential products such as the famous Idaho potato, sheep and wool, lumber and minerals.

For more than sixty years, Union Pacific has served

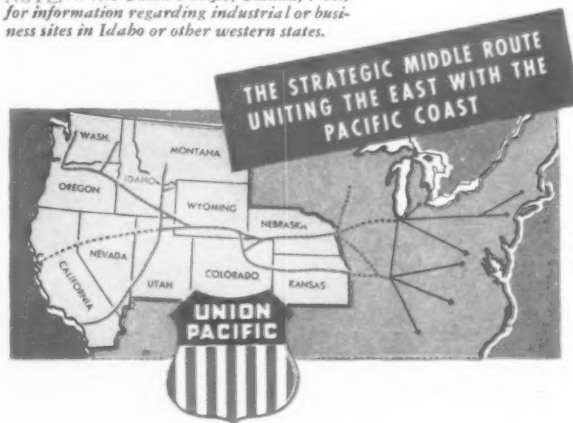
Idaho. Over the Strategic Middle Route, uniting Idaho with the East and the Pacific Coast, it transports the state's products and its citizens.

It is the hope of the people of Idaho that America's fighting sons will soon return to re-discover the beauty of the great West...to find that opportunity still exists in the further development of its vast resources...and that hard work and initiative will always be justly rewarded in this land of the free—*your America*.

NOTE: Write Union Pacific, Omaha, Neb., for information regarding industrial or business sites in Idaho or other western states.

THE PROGRESSIVE UNION PACIFIC RAILROAD

● Listen to "YOUR AMERICA"—
Mutual network—every Sunday after-
noon, 4 pm, E. W. T.



Nation's



Business

PUBLISHED BY

CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 33

JUNE, 1945

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Electronic AIR FILTRATION for SUPER CLEAN AIR

Read the story in this book—just off the press

WHAT ELECTRONIC Super Clean Air MEANS TO INDUSTRY
 The successful application of electronics to air filtration just a few years ago, established new standards of air cleanliness—eliminating the collection of dust, smoke, and bacteria of particle sizes so small as to be detectable only thru the electronic

FACTS AN ENGINEER SHOULD KNOW ABOUT Electronic Air Filtration
 The application of electronic air filtration to air conditioning industrial ventilating has become necessary to revise and practice cleaners

Theory and Practice of ELECTRONICS in AIR FILTRATION

FIRST in the field of Electronic Air Filtration
 AAF engineers have perfected a complete line of electronic air filters entirely revolutionary in design and making super-clean air available for every commercial

THIS BOOK FREE ON REQUEST

THE MAGIC OF ELECTRONICS IN AIR FILTRATION

AMERICAN AIR FILTER CO., INC.
 Incorporated
 160 Central Avenue, LOUISVILLE 3, KENTUCKY, U. S. A.
 In Canada: Darling Bros., Ltd., Montreal, P. Q.

A Taste of Home

Perhaps he is thinking of the corner drug store and the old gang talking football prospects over a dish of vanilla ... or a farmhouse kitchen and a family at supper together.

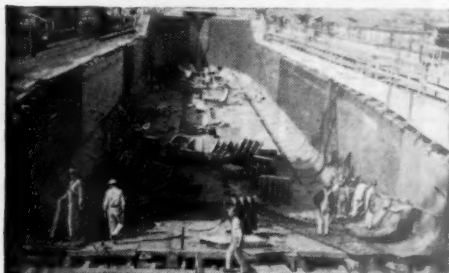
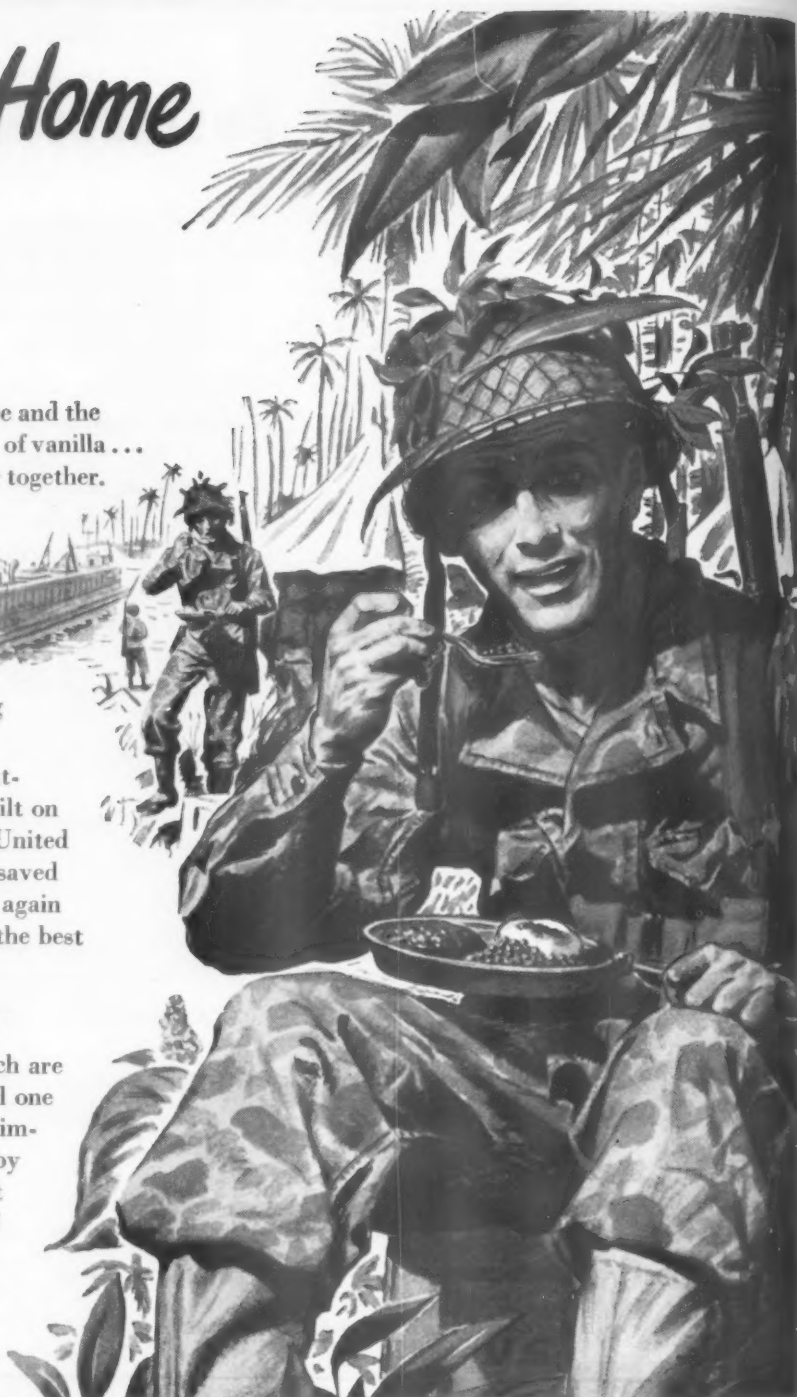
But some of these things are not as far from the lads in the remote South Pacific as you may think. Wherever possible, fresh meat, vegetables—yes, even ice cream from home are brought to them through the miracle of refrigeration and a miracle of American engineering ingenuity!

Concrete "Reefer" barges—285 feet of floating refrigerator—planned, engineered and built on the beaches by Concrete Ship Constructors, United Fruit Company and York Corporation have saved six months of ship building time—proved again that, in a crisis, America knows how to "do the best with what she has."

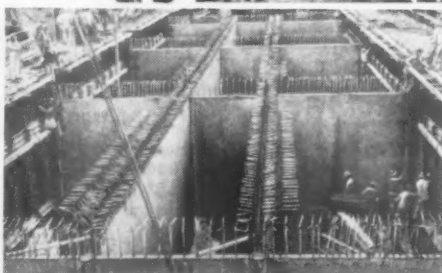
Refrigeration Looks Forward

The experience and engineering ability which are now making these achievements possible will one day return to the problem of broadening and improving the distribution of refrigerated foods by land, sea and air. But these things must wait for Victory ... Only when it is an *accomplished fact* can York workers and York distributors turn to the job of satisfying the pent-up needs of a peacetime world.

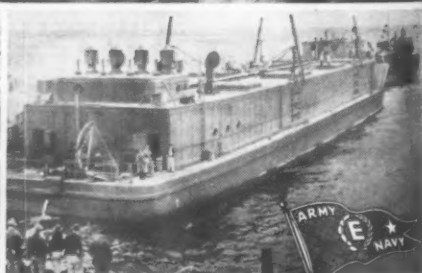
York Corporation, York, Pennsylvania.



MIRACLE OF SPEED! Just six days after keel laying this concrete "reefer" was launched. The photo above was taken a little more than an hour after construction started.



ANSWER TO THE SHIPPING PROBLEM. With shipways crowded to capacity, Concrete Ship Constructors, United Fruit Co. and York Corporation engineered and built barges on the beaches.

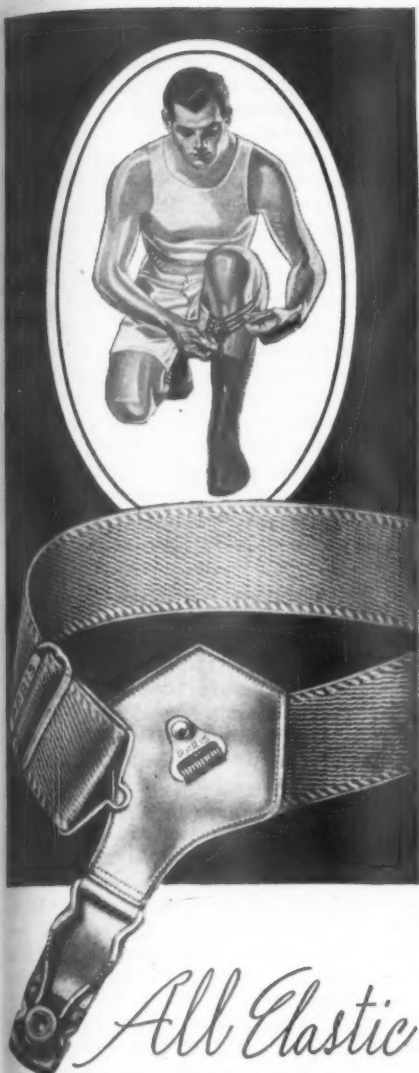


FIRST FLOATING REFRIGERATOR puts to sea ... the USS Hydrogen heads for the South Pacific.



YORK REFRIGERATION AND AIR CONDITIONING

HEADQUARTERS FOR MECHANICAL COOLING SINCE 1885



All Elastic PARIS GARTERS

NO METAL CAN TOUCH YOU

The perfect gift for Father's Day

Here's a trademark of responsibility, a guarantee of fine merchandise... well made... modestly priced. The famous Paris kneeling figure trademark is your assurance of style—comfort and value. Depend on brands you know, names you can trust. Exercise your American right to choose what you use. Ask for Paris Garters at fine stores everywhere—55c and \$1.00. Also enjoy wearing Paris All Elastic Free-Swing Suspenders, and Belts.

A. STEIN & COMPANY • Chicago • New York

PARIS GARTERS

NO METAL CAN TOUCH YOU

NB Notebook

June note

THE war marriage tide reached its crest in 1942. The total for that year surpassed the prewar level almost 30 per cent. Marketing men got out their pencils to figure what this would mean in terms of short and long term demands. Some War Production Board orders were issued to provide extra baby carriages, protective clothing and other necessary items. Jewelers found the double ring ceremony adding to their headaches in view of the restriction on gold. From a mere ten per cent, double ring sales climbed into the 90's.

If the pattern of World War I repeats, the present drop in marriages will be reversed when the veterans come home. In 1920 the ratio per 1,000 population jumped to 11.96, topping the war high of 11.20 in 1917. The 1942 ratio hit 13.20.

World's biggest

IN 1869 there were 252,148 "factories and hand and neighborhood industries" in the country and their product was valued at \$3,385,860,354. They employed 2,053,996 wage earners, according to census figures.

With this for background let us introduce the biggest manufacturing enterprise the world has yet seen. Net sales of General Motors Corporation in 1944 were \$4,262,249,472. Total employees were 465,617. Making a guess, then, we come up with the thought that GM produced and sold more last year than the whole country did some 75 years ago.

Against some \$1,700 of output per industrial worker back in 1869, GM can stack almost \$10,000 per industrial worker today, thus emphasizing how the trick was turned by machines and that necessary thing called capital investment.

A little on taxes

FIFTY pages are required to elucidate "The Tax Problems of the Retail Druggist," a book issued by the National Association of Retail Druggists. The tax problems are only national tax problems and there is nothing about state and local taxes. This prompts Joe Meek

of the Illinois Federation of Retail Associations to estimate that, if chapters on these levies and on war agency regulations were included, the book would run 500 pages and not 50.

Cheaper to rent

AS a simple bit of arithmetic, the decision of Allied Stores Corporation, largest department store chain, in arranging to rent instead of own its store buildings works out nicely, merchants agree. A subsidiary of Union College of Schenectady has bought seven large Allied properties for \$16,150,000 and leases them back under a 30-year contract with renewal options for 30 years more.

On the 30-year basis, the store chain pays about 5½ per cent of the purchase price as rent. Over 60 years the average will be around 3½ per cent, plus some small charges. With the cash it receives from the sale the chain buys merchandise which turns over about four times a year at a net of, say, 2½ per cent. Allied, therefore, swaps 5½ per cent for ten per cent or thereabouts.

Chain experts say there is a lot to recommend a periodical clearing of the property account since many acquisitions mean ownership of real estate when the actual business is merchandising.

Basic business English

EVERY now and again business finds it is using words all by itself while its public says something else—like a general marching along ahead when his army has turned off on another highway.

An electrical manufacturer got curious about public acceptance of the word "incandescent." Researchers went forth with bulbs and queried, "What do you ask for when you buy this?"

Only three per cent used "incandescent." The rest bought "electric light bulbs" or just plain "light bulbs." A few put it this way: "I wanna bulb."

Money for dealers

ENOUGH examples are at hand to show that the trend in dealer set-ups among



When Store Shelves are Filled Again!

THERE'LL come a day when department stores, groceries, and other retail shops will again be filled with the clothing, domestic appliances, food, and the many other products we all need.

But how will millions of tons of these articles be carried quickly and inexpensively to your city or town when the green light is given on peacetime production?

The answer: By railroad! For only your railroads have the capacity and equipment to provide the low-cost mass transportation that will be required.

The Erie, as a progressive railroad, will continue to use training, research, engineering ingenuity and advanced technology to further improve its service.

Erie Railroad

ONE OF AMERICA'S RAILROADS—ALL UNITED FOR VICTORY



Buy and Keep War
Bonds and Stamps



large manufacturers is toward giving distributors more territory and more support, financial and otherwise. The companies want strong dealers and are ready to provide the right man with sufficient selling area and sufficient promotion to make him strong.

Automobile men recall the purchase of Dodge by Chrysler for \$146,000,000 as probably the best illustration of the value placed on a top-notch dealer organization. Chrysler had little need of car designs, plant or much else covered by the deal, it is pointed out, but wanted Dodge distribution. The secret of Dodge dealer success, so the experts explain, was "making money." The Company insisted that they make money. If they didn't, they couldn't be Dodge dealers.

So a big leaf has been taken out of this book for postwar marketing plans. Making it possible for dealers to make more money has become a keystone policy with some big people.

Post-war merchandising

EXPANSION of sales territories drew the highest vote on major changes planned by manufacturers for postwar merchandising in a survey made by Dun & Bradstreet, Inc. Of 13,666 answering the questionnaire, 46 per cent intend to enlarge their selling areas. Top five were: Tobacco, chemicals, transportation equipment, automobiles, and machinery (except electrical).

The second highest vote went to new products and 37 per cent will add them. Top industries planning to add new products were: Chemicals, electrical machinery, rubber, transportation equipment.

Third most popular change—29 per cent—was recorded for selling new classes of customers and in fourth place was a bloc of 22 per cent who plan to use new methods or new channels of distribution.

A point noted in the survey is that concerns of \$1,000,000 net worth and more lead the procession on new products with 44 per cent. Strangely enough, it is the Minneapolis reserve district and not the West Coast that votes highest in the breakdown by geographical areas for this decision.

The vote of wholesalers followed the pattern set by the manufacturers. It was 46 per cent for territory expansion, 44 per cent for new products, 34 per cent for selling new classes of customers and 27 per cent for new methods or channels of distribution. The reporting concerns numbered 8,648.

Success stories

FROM its tin-plating process, which saved two-thirds of the metal used before the Japs cut off a large part of the supply, to its development of K-42-B, a jet propulsion metal that maintains high strength at red heat, Westinghouse Electric & Manufacturing Company narrates a string of war achievements in a booklet entitled "Now much of it can be told," which has been distributed to

the field organization. If other nations envy the precision of our mass production industries, they may be interested in a paragraph which deals with the motor that went into the famous bomb sight. Tolerances on the spur gears are closer than on the finest watch, the company explains.

"We attempted to subcontract the gear cutting to three of the leading watchmakers but found it necessary to do the work ourselves."

On the other hand, if there is interest in the speed of American manufacture another small item can be quoted. In cooperation with oil and chemical companies, Westinghouse developed a mass spectrometer that enabled a chemist to analyze in 15 minutes the gases that go into synthetic rubber. This analysis used to take five to ten skilled chemists from 15 hours to three days.

Other companies will also have "Now It Can Be Told" stories as censorship relaxes further and the phrase "Brave New World" will begin to assume sharper shape and reality.

Samples for \$10,000,000,000

LEND-LEASE has been called aptly enough the biggest sampling job in history. The samples may turn out to have been free samples but exporters expect that this bread cast upon the Seven Seas will come back as cake in peace times.

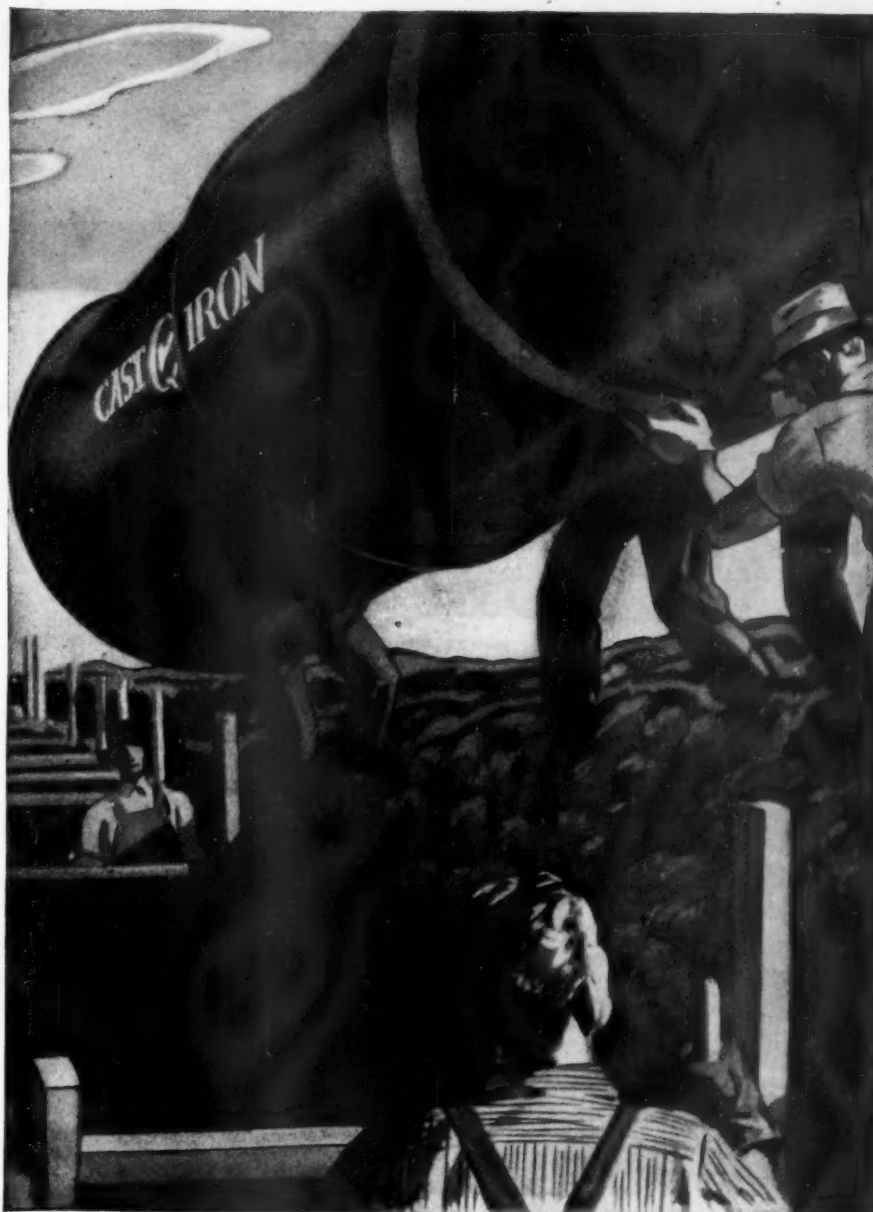
That is why \$10,000,000,000 in exports doesn't seem too high a goal provided the mechanics of exchange and trade relations work smoothly. After World War I, it is pointed out, exports climbed above \$8,000,000,000. Prices were inflated, of course, but this was more than three times the prewar total. The mistake was made of lending money instead of buying goods in the Twenties. Exports held to about double their prewar volume until after the 1929 collapse. Doubling our 1940 exports would put us within striking distance of the new goal.


Almost half of our lend-lease exports have been industrial goods and agricultural products so we haven't been providing merely samples of goods that sell only in time of war. India wants American powdered milk brands, for instance, instead of some long-established British favorites. South Africa reports exceptional interest in numerous American products. Australia hastens to remove the tax barrier to American automobile production there.

So, adding up their reports, exporters say \$10,000,000,000 isn't too high—if we can learn to buy as well as sell. Maybe we can. A recent poll of industrial executives by *Modern Industry*, after a printed debate on the tariff in its columns, brought a vote of 53.7 per cent for reduction. Down Easters voted 59.7 per cent in favor.

New army needed

IF current estimates are anywhere near correct, more than half of our returning



To bring water from distant
sources to thirsty cities, waterworks
engineers have confidence in
pipe that bears this mark 
—cast iron pipe—the pipe that serves so long and
economically it is known as Public Tax Saver No. 1.

CAST IRON PIPE RESEARCH ASSOCIATION, T. F. WOLFE, ENGINEER, 122 S. MICHIGAN AVE., CHICAGO 3

CAST IRON PIPE

SERVES FOR CENTURIES



For A Nation at WAR

Our factories are producing for a nation at war and our merchants are serving their customers under difficult war-imposed conditions. The modern, coordinated Rail and Air Express Service is doing its utmost to carry speedily today's urgent shipments over the nation-wide network of railways and airways.

BUY BIGGER BONDS

FOR THE BIG 7th



NATION-WIDE

RAIL-AIR SERVICE

veterans might be absorbed readily as salesmen when they return to civil life. Walter Faust, vice president of Socony-Vacuum Oil Co., recently estimated that 5,000,000 salesmen will be required to bring up the total to the prewar level. About 1,600,000 are in military service, according to Selective Service figures.

For the 40 per cent increase in business volume which is calculated as the need if full employment is to be attained, another 2,000,000 would be added to the sales force. Manufacturers and distributors see themselves facing not only the problem of recruiting their shrunken forces but also the more important task of restoring "salesmindedness." This art must be learned all over again after the soft war years of a "seller's market."

Fortunately there will be war-learned techniques such as sound film, cutaway models, pictures, diagrams and other means of accelerating sales training. Fast ways were found to teach men in the military services and they will be utilized to good effect in turning out salesmen.

Carolina turns Turkish

NOT content with producing 60 per cent of the world's supply of flue cured tobacco, 55 per cent of the cigarettes and most of the domestic supply of cigarette paper (a war-born industry), North Carolina is now experimenting with the growing of Turkish tobacco. According to Agricultural Commissioner Kerr Scott, 150 farms are planting Turkish this year.

Executive pay

A RECENT study of executive remuneration by the National Industrial Conference Board turned up some interesting conclusions. Executive pay was worked out as a percentage of the sales dollar and great variation was found by industries. Moreover, it was revealed that small company executives draw more than their fellows in the big companies.

Topping the list of 407,053 companies in 1941 were executives of automotive repairs, service and garages who received 6.6 per cent of sales. Printing and publishing pays out 4.4 per cent of sales to executives. Steel offers a mere 1.4 per cent and automobiles 0.4 per cent.

Some group percentages follow: Retail trade, 2; wholesale trade, 1.7; total manufacturing, 1.5; public utilities, 0.9; and amusement, 2.8.

Buy Bonds!

THIS MONTH we interrupt our series of covers dedicated to various businesses to cooperate with the Government in the Seventh War Loan. Like most magazines, we donate the cover to promoting the drive.

MANAGEMENT'S

Washington LETTER

A last minute roundup by a staff of Washington observers of government and business

► **EASIER MANPOWER PICTURE** is first visible evidence of business adjustment to one-front war.

War Production Board anticipates 20 per cent military cutbacks during May, June and July will release approximately 2,500,000 workers for resumed civilian production. (With accumulated backlog of deferred civilian wants, there can be no thought of surplus labor until 5,000,000 workers have been separated from war production lines.)

New draft calls will continue at 100,000 a month, but will be supplied entirely by youngsters coming into the 18-year group; military discharges now equal total draft call each month.

► **WAR PRODUCTION** and military procurement are calculated through first quarter of '46 at about two-thirds of level maintained in second quarter this year. Civilians tend to forget that, even in a period of partial demobilization, the military requires food and quartermaster supplies at only a little less than wartime consumption rate.

Office of War Mobilization and Reconstruction (Vinson) also emphasizes that relief and reconstruction needs in Europe will make heavy requisitions on every type of U.S. production during next six months.

Keynote of Vinson's summary for Pacific war: "The structure of many government controls over industry must be maintained."

► **TRANSPORTATION** will be more heavily burdened by war traffic during next six months than in past half year. (It takes three ships to move same tonnage to Pacific bases that one bottom carried to Europe!) Hawaii is as far from San Francisco as London is from New York—and it is still 3400 miles to Tokyo.

Only during past 60 days have heavy bombing raids on home islands cut Jap fighter plane production below war replacement needs.

"So far, we have not come up against the main strength of the Japanese Army"—4,000,000 men, with "several million fit for military service not yet called up."

Jap fleet is badly crippled, but far from destroyed.

► **U.S. INDUSTRIAL NEEDS** are catalogued in about this order of priority for resumption of non-war production: locomotives and freight cars, oil drilling machinery, trucks, farm machinery, passenger autos.

In second group are such items as refrigerators, washing machines, electrical appliances, radios, telephones.

Controlled materials plan directing flow of all basic materials will be revised to permit civilian allocation of tonnages not immediately required for war contracts; these "leavings" from war production will be channeled to civilian industries through WPB's "spot authorizations" approved by field offices.

► **DELIVERY SERVICES** will continue restricted on approximately present basis until production of civilian trucks and tires equals minimum replacement needs.

Home building is estimated at 250,000 or more dwelling units during next 12 months.

War Manpower Commission urges maintenance of 48-hour work week in all industries until end of 1945.

News censorship continues on same basis—military security.

► **PRESIDENT'S TARIFF POWERS** likely will be renewed in present form, but without additional authority to cut rates another 50 per cent under those prevailing on Jan. 1, 1945.

Bipartisan majority on House Ways and Means Committee is agreed informally, that lend-lease, rehabilitation aids, overseas relief, and long-term government purchases through FEA will make an ample U.S. contribution to postwar reconstruction.

Proposal to end all discretionary tariff authority in White House on June 30 this year still is being pressed vigorously in Congress by a group which would return all adjustment powers to Tariff Commission, under procedures fixed by Congress. If fight gets too hot, President Truman may accept exten-

sion legislation without additional cutting powers as compromise.

► **BRETTON WOODS** proposals for reconstruction fund appear to be overboard in Congress.

Majority sentiment favors a smaller beginning on time-tested lines of exchange stabilization and international credits, beginning with dollar-pound agreements, later extended to franc.

Fears that Bretton Woods program is too ambitious for immediate postwar application are substantial.

► **CRATING SHORTAGES** are delaying some military contracts. To assist, WPB has set up a special lumber procurement agency. Contractors unable to obtain shipments for war needs should apply for emergency relief on WPB form 3922, directed to Lumber Products Division.

► **WALLACE PROGRAM** for small business credits from Government has had a cool reception from Banking Committee majorities in both House and Senate. "To the extent that Government guarantees private loans, it will control private business," has become battle cry of congressional groups favoring immediate abandonment of all federal operations not absolutely essential to Pacific war.

War agencies are reluctant to relinquish emergency controls; are throwing out partial relaxations to head off uproarious demand from business community for sweeping termination of burdensome accounting and reporting routines.

Local banking pools for reconversion, mobilized during past 18 months under guidance of American Bankers Association, report adequate credit resources available to hasten resumption of the many service enterprises suspended by war.

A typical and oft-quoted criticism of government controls comes from National Association of Real Estate Boards, on issue of public housing and municipal planning: "Too much attention seems to be paid to how people ought to live, rather than to how they want to live."

► **RETAIL COAL MERCHANTS** complain that individual delivery records required by Ickes' Solid Fuel regulations make a burdensome bookkeeping job.

Each householder must file a "consumer's declaration" estimating normal consumption; dealers then must limit consumer to 80 per cent of this tonnage

for current coal year. Each consumer declaration then must show every order received, together with "the tonnage, kind and sizes of fuel delivered and dates of delivery."

All this information normally is entered in retailer's books; now must be posted a second time on government form, subject to inspection any time.

► **HEALTH INSURANCE** plans sponsored by employers are subject to approval of the War Labor Board if they flow from union agreements; but WLB will not order a group-insurance program to be instituted, or liberalized, as a means of obtaining a "fringe" wage increase under the stabilization plan.

Because it has had only limited experience with insurance programs, WLB majority rules "the Board is not prepared to set forth at this time under what specific circumstances it will direct group insurance. Its general policy is to the contrary, but unusual circumstances may justify an exception."

Employment managers and insurance executives should read official text of U.S. Rubber Case No. 111-8854-D.

► **HANDICAPPED VETERANS** earn their own way in many industries, but "selective placement" is the key to success in this program, War Manpower Commission warns in summary of its recent special forum-survey at University of Michigan.

Workmen's Compensation laws must be amended in several states to relieve employers of heavy potential penalties arising from employment of war-scarred soldiers.

For new handbook on Selective Placement of the Handicapped, address K. Vernon Banta, War Manpower Commission, Washington 25, D.C.

Another volume on placement of military personnel is the 400-page "Special Aids," which traces out the particular training behind some 200 different military ratings in Army, Navy and Coast Guard, as related to peacetime civilian occupations.

This volume is available only through Superintendent of Documents, Government Printing Office, Washington, but a reference copy may be seen at your local branch of the U.S. Employment Service.

► **PUBLIC PAY ROLL**, federal, state and municipal combined, now numbers roughly 6,935,000 persons, drawing \$11,400,000,000 a year. (3,785,000 on federal

rolls, exclusive of military; 3,150,000 on state and local rolls.)

Since 1932, federal civilian personnel has increased 462 per cent in number and 610 per cent in total annual pay; state and local rolls have increased 44 per cent in number and 26 per cent in total pay.

Civilian additions to federal rolls in first quarter this year were 60,673.

Demobilization of excess civilian personnel from federal agencies presents a major problem in postwar adjustment.

► **GOVERNMENT SURPLUS PROPERTY** in machinery and capital goods is moving slowly, with great stockpiles accumulating at central storage points.

Total sales by RFC through first quarter this year were \$115,303,000, out of salable surplus of \$681,833,000 catalogued.

Sales to date have brought 63.9 per cent of declared government cost, have moved one-third of volume of goods.

Present RFC storage stocks include machine tools, metal working machinery, electrical apparatus, electronic equipment; locations—Chicago, \$38,000,000; Philadelphia, \$30,000,000; Cleveland, \$35,000,000; New York, \$19,000,000; Detroit, \$14,000,000; Boston, \$12,000,000.

RFC also has 14,222 surplus army trainer planes which cost \$754,662,000 classified as "non-salable inventory."

► **IF YOU NEED** a small electric power plant, the RFC has 3,000 for sale from army surplus; gasoline engines, 115-125 volt; generates 3,000 watts; suitable for farm illuminating plant, freezers, brooders; original retail price \$750, now available at \$178 to \$480 f.o.b. shipping point.

Plants stored at Anniston, Ala., and Sidney, Neb., weight 900 pounds. Address inquiries to Reconstruction Finance Corp., Atlanta, Ga., or Omaha, Neb.

► **CIO SALARY CAMPAIGN** among white collar workers has been launched in several cities, supported by newspaper and radio advertising, street car appeals and handbills.

New York already has a White Collar Center in Midtown, where United Office and Professional Workers of America explain the 11 methods of salary increases approvable under WLB's "stabilization" program.

Union surveys show that white collar workers are the largest employed group still unorganized; that the organization dollar yields a better return there than in any other field.

► **U.S. ARMY** is producing 3,000 typewriters monthly in a seized German factory which was equipped to manufacture machines for every modern language, including Chinese, Hebrew, Persian, and Siamese.

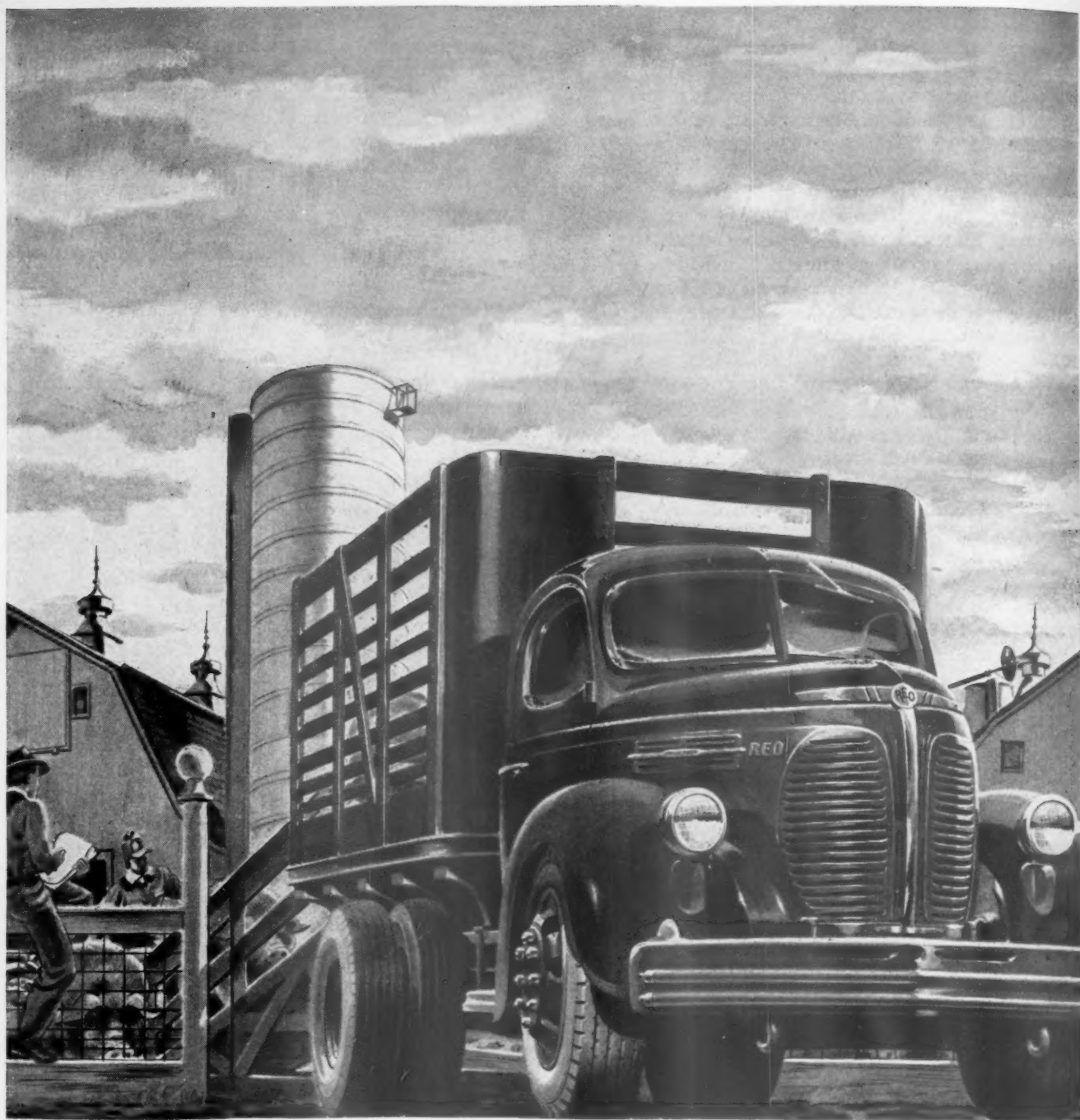
Present output, all in English characters, is shipped to military services.

► **WAR REFUGEE BOARD** says that a million dispossessed Jews in Europe present a major problem in reconstruction, reports:

"Twelve years ago there were 6,000,000 Jews in Europe, outside of Russia. ...At least 5,000,000 Jews were destroyed and turned into fertilizer for enemy soil, and there remain today 1,000,000 Jews in Europe alive....We must not forget that the million Jewish survivors, while living, are barely alive."

United Nations are working on permanent relocation plans.

► **WASHINGTON BUSINESS BRIEFS:** Commerce Department finds a market for 25,000 gross of toothbrushes a year in Cuba; none produced locally....Interior Department has re-opened for mineral prospecting some 8,000,000 acres in Alaska originally withdrawn from public domain for Alcan Highway....Minister of Reconstruction estimates total war damage in France at \$40,000,000,000; job equals 800,000 workers going 40 hours weekly for 11 years....National Housing Agency expects to have 200,000 permanent dwelling units for surplus disposal; some may be sold to public housing authorities, where local communities request; otherwise, occupants have purchase preference, with war veterans next....Government employment offices now are placing about 100,000 World War I and World War II veterans each month; one in every six carries some type service-connected disability....Final count shows U.S. troops occupied 39,000 parcels of real estate in France for headquarters, supply bases, airports; all will be turned back, rentals charged to lend-lease....Army shipments were 3.8 per cent of all U.S. freight cars loaded in 1942; 6.4 per cent in 1943; 7.2 per cent in 1944, and 8.9 per cent for first quarter of '45.



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Congress Gets a Bigger Role

By CHARLES P. TRUSSELL

THE IMAGE of Congress with a new President is not yet in precise focus. Factors born of sudden tragedy and constitutional government turnover naturally blur the immediate view.

But the outlook is encouraging to Congress. It feels that it has taken on a greater stature. It looks ahead confidently to earnest teamwork between the White House and the Capitol. It recalls that the new President, by past performance, has preferred to be a member of a team.

Furthermore, Congress has—this is difficult to say precisely—a new peace of mind, growing out of the fact that the new President has not the personal following to “purge” a non-conforming Congressman, even if he wanted to. As a result, the Capitol feels free to act today without fear of repercussion except from its own constituents, whom it should know better than the Administration knows them.

Congress draws its conclusions without bitterness. The change has been in personalities, in ways of doing things. Congressional friends and foes of the late Franklin D. Roosevelt are moving forward. They must. There's a war on still, and a peace readjustment to be effected.

Congress feels that Harry S. Truman wants it to be independent. It expects changes in domestic policy, attitude and

WITH President Harry S. Truman in the White House, Congress sees opportunity to regain certain powers which it has relinquished in recent years—and plans to make the most of it. This will mean stronger party government and greater responsibilities for the lawmakers on Capitol Hill

action, particularly as they concern business of all sizes, but not too suddenly or too sharply. Things will happen, it believes, though it knows that Mr. Truman has picked up a job of unfinished business. He plans, Congress knows, to carry actively pending projects through in line with Roosevelt recommendations.

The new man in the White House seeks advice from others besides Congress. He is going slowly.

The White House and Congress

BUT today Congress feels that it is close to the White House and that the White House wants its counsel. The Congress is prepared to cooperate eagerly and, on the whole, to give advice stemming from all the people. Moreover, cloakroom and corridor discussions indicate, Congress looks to Mr. Truman to hear all sides of all impor-

tant questions. His congressional cooperation, it is emphasized, depends greatly on whether this is done.

This has been a strange transition. The late President chose Mr. Truman when his inner circle fought furiously for the retention of Mr. Wallace. There were many bitter disappointments. But events have shown that the choice at least has not led to upheaval, even from the most energetic of the Wallace forces. All elements of Congress have been converging on the White House and have come away enthusiastic.

Already, Senator Guffey of Pennsylvania—faithful and unquestioning follower of Franklin Roosevelt and a last-ditch Wallace man at the Chicago nominating convention—has started a second term boomlet for Truman. Those who heard his observations about a “boss-picked” Vice Presidential nominee at Chicago thought he'd never speak to Mr. Truman again. Still, while in-

instinctive reflexes put Mr. Truman on Congress' side, Congress holds one important factor in mind: Mr. Truman, a human, homespun, likable and meticulously honest man, is loyal to the Commander-in-Chief whose place he took so suddenly. Thus, though he fought Mr. Roosevelt boldly when he lived and they disagreed, there remains a condition which is likely to delay for some time an accurate and complete appraisal of Truman the President.

From the start, of course, Mr. Truman followed Mr. Roosevelt's foreign policy to the letter, but he kept a sharp and at times belligerently critical watch, as chairman of the Truman Committee, on the preparation and procurement for the war and on other home front matters.

At the outset President Truman's recommendations have concerned principally the measures and recommendations of the departed chief—the Bretton Woods agreement, the reciprocal trade program extension, continuance of the Stabilization Act and OPA controls, as samples.

New plans are not formed

CONGRESS feels that Mr. Truman has not yet begun to plan and recommend on his own.

Until this begins, predictions as to the strength and ultimate success of his administration must be conditional, it is agreed.

There will be clashes between the White House and Congress; there have been two thus far that have precipitated tests. Mr. Truman and the Congress broke even on the amendment to the Draft Extension Bill which bans the combat assignment of 18-year-old inductees until they have had at least six months of military training. President Truman backed up General Marshall in appealing for Selective Service extension without amendment. Congress imposed the restriction. The first was the President's veto of the overwhelmingly adopted congressional edict on deferment of farm workers from the draft, regardless of military needs. The veto stuck.

With few exceptions, and these coming largely from the Republican side, Congress does not expect that Mr. Truman will turn sharply or promptly "to the right." There have been many bad guesses, on The Hill and off, on what he would do. The new President has been under pressure to institute sudden shifts from the "little left of center" which he inherited. Congress expects him to move away from some New Deal programs, but not, by any means, from all.

President Truman will not take a screeching, two-wheel turn on any established program, it is contended, because:

1. A precipitous reversal, even where he wanted one, would indicate a disloyalty to the fallen chief, and Mr. Truman would not want that.

2. Where there are to be transitions (and they are regarded as certain) they must be effected without shock.

3. The present domestic-international situation does not lend itself to a rocking of boats, economically or politically.

4. Some of the Roosevelt programs with which Mr. Truman agrees thoroughly as to objectives and congressional intent can be improved by the appointment of officials who will administer them differently.

While Congress anticipates no sudden and sweeping executive branch housecleaning (the Postmaster generalship change was little more than routine as Mr. Walker openly wanted to ditch that job for many months), it expects new appointments, perhaps slowly but steadily, at key posts where disturbances have arisen. Notable changes in the interpretation and administration of laws which have delegated authorities are expected. A keener administrative eye is in order and virtually promised on the intent of Congress as shown in House and Senate debate and voting. There have been discussions downtown on this point.

Less of what has been called "government by executive order" and "government by bureaucrats" is also expected. This does not mean, however, that Mr. Truman will cut back "social gains." His support of expansion of the Social Security program is assured, although perhaps not to the degree for which some elements in the Roosevelt Administration had hoped.

Labor views Mr. Truman as its friend. It knows, too, that he is also a friend of any business, regardless of size, that treats its employees and the consumers right and makes a legitimate profit at the same time. His record as President is expected to show that he will continue to be a friend of both, not of one or the other.

Full employment is favored

ALONG this line, although he has made it clear that he is for full employment—for jobs for 60,000,000 or any other number required to minimize unemployment and despair—there is no assurance that the pending legislation which would approach the goal through a two-budget system, with the Government providing jobs which private enterprise did not give, will have his unqualified support.

There have been reports that Mr. Truman, had he not been Vice President when the Murray-Wagner Bill was introduced, would have been one of the sponsors. Persons in position to know say that the President, instead, viewed this legislation as needing a lot of careful and critical study before any votes were taken.

Those who have read trouble into

Congress' widespread delegation of its powers to the executive believe that the legislative branch will have Mr. Truman's cooperation in recapturing these authorities. They admit that it is difficult to say now just which of them should be returned and which should be left where they are. The courses of the war and of postwar developments will have to dictate, they say, because the emergency situations which may arise in the readjustment period can't be foretold.

Congress back on the job

MANY of these delegations of powers will terminate, unless renewed, in the coming four years. Discussion among members of Congress indicates the feeling that President Truman is as eager as anyone to see the legislative branch again shoulder its full responsibilities.

On precedents, Mr. Truman knows as well as Congress that the admixture of relationship to come will include harmony, sweet sorrow and perhaps a few knock-down-drag-outs, but real understanding, no matter what.

Meanwhile political partisanship has not gone into the limbo. Some quarters even see a sharpening of partisanship. They recall, as an initial exhibit, the fact that House Republicans voted more than 12 to one to override Mr. Truman's first major veto while Democrats were 164 to 30 to sustain. There has been talk of a "Coalition Government." There will be coalitions in Congress, as before, but with changed positions and alignments, members predict.

It is asserted that President Truman will do much to close the breaches within his own party in Congress, that the Southern members are eager to play ball and that there won't be so much "jumping to the Republican side." Southerners say that breaches can be closed, but add that a lasting harmony cannot be attained if the poll tax, the Permanent Fair Employment Practices Commission and other related drives for "federal intervention in local problems" continue.

As for Mr. Truman's publicized humility, those in Congress who know him best have likened him on occasion to a noted denizen of his home State, the Missouri mule. They cite many instances of Truman reactions to pressure. All have the same wind-up: He won't be pushed around. There are recent examples. Since becoming President, Mr. Truman, it is known, has been offered advice and services based on experience which he wanted, but when certain rewards were demanded, he balked and turned to other experienced quarters.

The Hill hears that the bobbing up and abrupt disappearance of this and that "adviser" in recent weeks have grown out of the fact that the advisers attempted to "take over" the new President, and he declined to be captured.

President Truman's mother, back in Grand View, says that Harry could

(Continued on page 90)

Too Many Mouths to Feed

By OVID A. MARTIN



MONKMEYER

THE future peace of the world may well depend on the part we play in preventing hunger and starvation from stalking Europe



UNRRA

If we are to provide even a minimum diet for the millions in the war-torn countries, who are now on the borderline of starvation, food supplies for our own needs will have to be cut

FOOD in this country and throughout the world will be scarcer this coming winter than at any time since the war began. Shortages are developing in meats, fats and oils, dairy products, poultry products, sugar and rice. Only the supply of wheat seems to be adequate.

Contributing to the shortages are droughts in many southern hemisphere producing areas, particularly in Australia, New Zealand and parts of South America.

This picture of the food situation comes from our War Food Administration.

The United States thus faces a dilemma. The demands of our fighting men and civilians and the needs of our allies and of the hungry peoples in liberated areas are greater than our ability to provide at present ration levels.

The time is not far off when the Government must decide whether to ignore

overseas pleas for more food and thus avert further sharp cuts in our civilian diets—or to take the opposite course.

Despite eight successive years of increasing and record-breaking production, the United States is living on a hand-to-mouth basis. Except for the one item, wheat, food to fill civilian, military, lend-lease and foreign relief requirements must be taken from current production.

This country's lack of reserves to meet increasing foreign demands, except at the expense of civilian supplies, is more unhappy because of two facts:

1. The United States is the world's largest food-producing nation. This leads hungry peoples elsewhere to look to us more than to any other member of the United Nations for food.

2. This country made promises early in the war to provide relief.

Recognizing these important facts, the United States entered the war with a broad three-point food program calling for:

1. Maximum production of essential food products.
2. Shipment of food to our fighting allies to help win the war.
3. Accumulation of food stockpiles for postwar relief and emergencies.

Secretary of Agriculture Claude R. Wickard outlined this program. In a speech shortly after this country got into the war, he said:

"We need to keep building up food reserves. We want those reserves for use whenever and wherever the need arises. Hungry people all over the world will look to us for help when the war is over. The more food reserves we have on hand, the greater voice we will have in writing a just peace."

As the nation's first food administrator, Mr. Wickard encountered difficulties in holding manpower and in obtaining machinery and supplies for agriculture. These difficulties led him to remark in another speech that he was "afraid that a lot of us—both officials and other citizens—have a tendency to take this country's food supply for granted."

But the reserves he proposed were not built up. Before he had an opportunity to do much about food stockpiling, the Secretary was replaced as food administrator as a result of interdepartmental differences over food policies, particularly price policies. His successor was Chester Davis, St. Louis banker and Agricultural Adjustment Administrator under Secretary of Agriculture Henry A. Wallace during the early New Deal days.

Mr. Davis quit a few months after his appointment as a result of differences over policies. Marvin Jones, a Texan who served many years as chairman of the agriculture committee of the House of Representatives, succeeded him.

Official fears of possible food surpluses contributed largely to government decisions to abandon the stockpile program. In the past, surpluses had depressed farm prices and incomes to create agricultural depressions. Shortage of storage space was also a con-

tributing factor. Lending support to the official decision against reserves was a belief—originating in high military quarters—that the war in Europe would end late in 1944. Had it ended then, Europe would have been in a position to produce much more food this year than is now possible.

Less food, more munitions

THUS the policy on food was unlike that on munitions. In the case of the latter, the Government operates on the principle that it is much wiser to produce too much and to end the war with surpluses than to take chances of having too little. With food, the hope was to come out even.

But the German Army's ability to prolong the war well into the European planting season coupled with a downturn in American production of livestock products has changed the whole food picture. Instead of coming out even, we now face deficits.

Already the Government has found it necessary to trim civilian supplies to meet essential war requirements.

Many persons believe that recent reductions in civilian supplies reflect increased allotments for foreign consumers. This is not the case. The War Food Administration reports that no larger percentage of this country's food will move to overseas consumers (exclusive of American fighting men) during the first half of '45 than during the corresponding period last year. The overseas portion is 12 per cent.

Civilians, on the other hand, have been allotted 72 per cent, and the military services 16 per cent of the six months' supply. A year ago civilians received 75 per cent, and the military services 13 per cent.

Thus civilian belt-tightening so far this year reflects increased needs of our own troops and a somewhat lower level of production.

In coming to grips with the dilemma of domestic demands versus European relief needs, government officials will need to know the size of foreign requirements.

Officials generally agree that the United States will have to continue large shipments to Great Britain until the war with Japan is won. The British are dependent on outside sources for a considerable portion of their food, whether in war or peace. Their requirements from this country will be larger if they help us whip the Japanese than if they do not. We have made it plain, however, that we want their assistance in the Pacific fighting. The same goes with Russia. Her needs may not be as large as they have been because of prospects for increased production at home this year.

It is in the relief feeding on the European continent that needs will be greatest. Government agencies such as the Department of State, the Foreign Economic Administration and the United Nations Relief and Rehabilitation

(Continued on page 84)



After War I we sent millions of tons of food to the people of Europe. In their hour of hunger they are turning to us again

A Way to Solve Labor Disputes

By LEE H. HILL

3

NATIONAL ARBITRATION



IF AGREEMENT still is not reached, the parties should be able voluntarily to submit the matter in dispute to a national tribunal with fixed policies determined in advance by representatives of labor and management.

Such submission to arbitration should be on a voluntary basis.

Under no circumstances should government compel submission or should refusal of one or both parties to submit to arbitration make such party subject to official condemnation

2

GOVERNMENT CONCILIATION



If the parties find they cannot agree, the dispute then should be referred to an appropriate mediation agency

1

DIRECT NEGOTIATION



Management and representatives of labor should first make every effort to settle their own differences

IT SEEMS to be a characteristic of human minds to dwell on differences in views and outlook and to minimize those areas in which they are in agreement. However, when we approach the subject of labor-management relations, it is clear that differences in views, multiplied by emotional reactions, have set group against group to the detriment of the general welfare.

If we are to develop a program for labor peace in the post-war period we must, therefore, devote our maximum attention to the considerable area in which labor and management agree. Exploration of this area may show, first, that the subjects on which we disagree are not as important as over-emphasis leads us to believe; and second, the fields in which we agree may help us to a solution of the problems on which we disagree.

Labor, management, and the public agree on the desirability of *uninterrupted* industrial production. Interruption of production, however caused, injures everyone.

All parties also agree that continuous production is more likely to be attained in an atmosphere of good will than in an atmosphere of strife and bitterness. Therefore, I think we can all agree that our postwar national labor policy should encourage such an atmosphere of good will.

We have, then, two premises on which to start building for better labor-management relations after the war:

- A. They should be based on the widest possible areas of agreement.
- B. They should cultivate conditions favorable to an atmosphere of good will.

With these in mind, let's see how far we can go toward drawing up the sort of labor future in which we would like to live and work.

First of all, it may be desirable to consider the people involved in this problem. With our tendency to personalize, we

speak of industry and labor as though each were a single individual dealing with the other as an individual. Actually, industry consists of individuals occupying every position, from chairman of the board to sweeper. When management recommends this or that action as desirable, it usually is acting, not for the welfare of the individual representatives of management, but to discharge its responsibility, which is the welfare of the entire business—including customers, management representatives, workers—and the relationship between that business and the public.

Labor is frequently represented by a spokesman who usually considers his function to be to promote the welfare of the employees rather than that of the business. Sometimes the immediate interests of the employees are inconsistent with the long-range welfare of the business. Frequently this diversity of interest, whether actual or imaginary, is emphasized so much that an atmosphere of good will becomes impossible, and the long-range welfare of the employees is adversely affected.

In considering the people who make up the business, the

great majority are the workers or employees. Therefore, in setting up a criterion by which to judge whether a particular policy is desirable, it appears to me that we should consider that policy's long-range effect on the great majority of the employees. These employees are not only the workers but are also a substantial percentage of the consuming public. The long-range welfare of the employees is a far better criterion of the soundness of a national labor policy than is the prerogative of management or the special interest of the union leadership.

Union should serve the worker

NOT only should the interest of the employees be paramount, but we must also take care to consider the interests of the employees as individuals rather than be concerned with the interests of the employees as a mass. This means that the union should serve the individual rather than have the individual serve the union. The union is a means to

Charta," protects and implements the right of employees to organize, join unions and to strike. The law pays much less attention to an employee's *right to work* at an available job.

To make a man's job dependent upon his union membership is an intolerable infringement of the right to work at an available job. Particularly is this so when the union leadership's right to exclude employees from membership is not limited. Every arrangement for compulsory unionism may result in individual employees' serving the union rather than the union serving the individual employees. The union in this case loses the character of guardian of security for the individual employees and assumes the character of a dictator.

Union leaders have fallen into the habit of attacking management as a means of rallying members to the union cause. Having discovered this apparently easy way to gain support from the rank and file, unions frequently have attacked management regardless of the merits of the situation.

to destroy unions. Such talk is dangerous and in my opinion completely unfounded. No management thinks it is intelligent to keep a baseball bat in the closet. Barring a few extremists, management on the whole has now accepted labor unions as a part of the national scene.

It is the job of each to convince the other that it intends to stay in its own sphere of operations. It is up to management to convince labor that it does not wish to interfere with the union's function as bargaining agent for employees. It is also up to the unions to convince management that they are not bent on invading management authority and functions.

Once both parties are convinced that the other sincerely intends to stay within its own sphere of operations, I believe we can depend on collective bargaining to function much more smoothly than in the past.

Both labor and management know, through experience, that the War Labor Board, in determining disputes, has operated at the expense of true collective bargaining, rather than by virtue of it.

In short, true collective bargaining has been largely suspended for the duration. If we are honest in our desire to make collective bargaining work, we must strive to do so by direct negotiation between the parties, and such negotiations become meaningless if either party can refer the matter to compulsory arbitration.

It is natural—in fact inevitable—that this should be so, since neither party wants to concede a point which it might be able to win from WLB.

Strikes and lockouts

IF WE eliminate government directive or other compulsory arbitration as the final court of appeal in negotiation of new agreements, we must leave to the parties the right of final resort to strike and lockout. However, I believe it is possible to take certain steps which will make these weapons a matter of final resort, to be invoked only on rare occasions. Some of the possible provisions to attain this end might be as follows:

1. After the parties have exhausted direct collective bargaining between themselves, either party may give notice of intent to strike or lockout. Such notice should be given in writing and should specifically state the demands not satisfied. The dispute would then be referred to an appropriate mediation agency, such as the U. S. Conciliation Service, which would try to conciliate the dispute through highly qualified impartial conciliators who have the respect of both parties. During the proceedings the right to strike or lockout would be suspended.

2. If the Conciliation Service or other available mediation facilities fail to settle the dispute, both parties might agree voluntarily to submit the dispute to binding arbitration by a national tribunal of highly qualified men with such

(Continued on page 76)

Strikes from Disagreements Grow

FROM 1919—through '23—in the five years following the First War—there were, according to the Bureau of Labor Statistics:

12,091 strikes in the United States, involving 9,092,000 workers.

From 1940 through '44—with the nation putting forth an all-out effort to win the present war—still there were:

18,516 strikes, involving 7,861,000 workers.

So long as one man works for another, differences of opinion are bound to occur which, unless reconciled, will lead to disruption of employment.

After victory, when the no-strike pledge is rescinded, we may see a sharp rise in the number of strikes in America, if no way is found to settle labor disputes while they are still small. In this article, Lee H. Hill, vice president of Allis-Chalmers, offers one practical solution.

an end, and government encouragement of unions must not reach the point at which the union, organized to serve the individual employee, is put in a position where it can dictate to him.

The quality which keeps a union socially desirable and useful is the unswerving purpose of its officials to give full and fair service to the membership and to exhibit awareness of their public responsibility. Our present laws do not encourage that kind of attitude or responsibility among union officers. The National Labor Relations Act, which has been termed "Labor's Magna

Lest union leaders consider that my remarks are a partisan attack on organized labor, it should be said immediately that management has not been without guilt in the management-union conflicts of the past. But managements in general have learned to accept unions as representatives of their employees and to deal with them as such. Moreover, if managements still have any inclination to undermine unions, the National Labor Relations Act provides an effective way to prevent such action.

There has been some reckless talk about employers striving after this war

Lighting Up the Black Market

By JACK B. WALLACH

HERE is a glimpse of what can happen when the Government tries to control our whole economy, even in wartime when such control is vitally necessary

BACK in Prohibition days, it was a naive man who did not know where the wine of the grape or the hooch of the still could be obtained. In cities and towns across this continent, café life thrived and throbbed in places to which "Joe sent me" or "Al said to mention his name."

Today we have a new illicit pastime. It consists of knowing a man who has gasoline coupons to retail at the current market price of \$25 to \$35 per 100 gallons in illicit coupons.

Or perhaps one knows a gas station where, at 60 cents or more a gallon, the man at the pump forgets to ask for coupons.

There is no way of telling how many motorists are contemptuous of the high cost of driving on black market gas but if one stands by the side of any heavily travelled highway on a balmy Sunday, he will be impressed.

It is interesting to speculate upon the source of this gasoline. Obviously, it is gasoline over and above the ra-



Once a week the maid goes to town to dust the boss's chair

tioned quantity, because it is available after legitimate gas coupons are exchanged for the elixir of the family buggy.

Perhaps in the answer to whence comes this gas is also the answer to why so many otherwise patriotic Americans flaunt rationing. Your average citizen doesn't mind sharing what is left from the war effort. But he becomes more than a little impatient when he discovers that the other fellow is getting a larger share.

Without putting any detectives to work, and thereby aggravating the manpower shortage, it seems safe to deduce that whenever a commodity that normally retails at 20 cents or thereabouts a gallon can be sold at 60 cents or more a gallon, supply will rise to meet the demand.

Consumers don't police

WHAT has happened in gasoline has been repeated in meat and butter. Obviously OPA cannot police the country's more than 1,700,000 retail outlets. It was hoped that the consumer would do the policing, and, in some communities, he has checked practices and prices, but the consumer has proved to be only human, too.

In many cities, the housewife who reported her butcher for overcharging cut herself off from her only likely source of meat, because few butchers are able to serve new customers. As a result, many a female vigilante put away her badge and kept her market bags full.

Black market commodities are now an old, old story. According to the black market vendor, he cannot buy from legitimate suppliers because OPA's price ceilings have driven his particular commodity from regular channels of trade to highly irregular ones. There is considerable documentary evidence to support this claim.

Moreover, rationing does not seem to
(Continued on page 58)



E. F. WALTON

Perhaps one knows a gas station where, at 60 cents a gallon, the man at the pump suffers temporary amnesia and forgets coupons



Reparations M

OVER the centuries the cry, "Woe to the vanquished!" summed up the fate of those who lost in war. Today the situation is less simple. In a complicated civilization, efforts to punish the guilty may punish the winner

AS THE FIGHTING in Europe ends, reparations become the next step in a troubled world. A reparations commission is planned to meet in Moscow. Our representatives will attend. The agreements may remake the entire structure of Europe. They can be the foundations for an enduring peace. They can be the first stumbling blocks as peace staggers into an uncertain future.

Alone among the conferees, the United States wants only a stable peace—neither territory nor other reparations for itself. Also possibly alone, the United States realizes that unless the foundations of the new peace are well laid, the entire structure will be awry, collapsing in the first storm. We will be asked to provide most of the props to shore it up. And, as reparations cannot start immediately, the United States—through lend-lease, currency stabilization, relief and reconstruction and loans—will be asked to help bridge the gap.

For these reasons, reparations are more than a remote, academic topic for American discussion. They are an issue which already confronts the Allies—the issue which may fix the life span of the peace.

At Yalta, President Roosevelt, Churchill and Stalin agreed that the Axis countries should pay reparations in kind to be fixed by an Allied commission. Before the commission has held its first meeting, differences sufficiently serious to provoke official notes have arisen. Reports from behind the blacked-out frontiers of countries occupied by the Red army are that Moscow is already collecting reparations without waiting for the orderly procedure of the commission. Even the diplomatic representatives of the United States and Britain are forbidden to enter and see what is happening. On other countries, Moscow already has levied armistice terms equivalent to reparations.

Coming weeks will soon show whether there is to be an orderly distribution of

reparations. Regardless of how they are exacted—whether through a commission or by each country according to its strength—they will revolutionize Europe. They will bring new frontiers on maps, the age-old ebb and flow of Europe where some countries and their resources expand while others shrink. Machines and factories would be moved and the arteries of national life reversed.

More than all this, reparations today contemplate the migration of people.

Problems for the Allies

THE questions which the Allies already face, and which they must answer wisely for the future, are:

1. Will some countries lose markets, which were important or absolutely essential to their existence, while others profit by reparations but provide no world market in return?
2. Will conquered countries be permitted to retain certain industries to continue producing goods for reparations and their own needs, or will all their industries be taken?
3. What will an inventory of Axis resources and industry show as surviving for reparations?
4. Will reparations be divided among all deserving Allied nations or will each occupying power help itself, effectively wrecking the United Nations' unity?
5. If an equitable division is made, will each claimant be satisfied?
6. Is Europe, after a war for freedom, to revert to the slave labor of the Dark Ages when princes trafficked in mercenaries, serfs were livestock of the fields, and men property of the state?

Reparations after World War I were in both cash and kind. To obtain cash,

Germany sold property which it owned abroad, marketed municipal and domestic stocks and bonds in the United States, and printed paper money for speculators. The latter was the get-rich-quick bubble of the century. I was on a British ship going to India when the craze was at its height. Every officer aboard was buying German Reichsmarks, confident they would be redeemed at a hundred times their cost.

While the resulting inflation was ruining Germany's middle class and paving the way for Hitler, the rest of the world eagerly bought the worthless paper. French bankers estimated that Germany thus harvested \$4,000,000,000, of which \$1,000,000,000 came from the United States.

France herself, incidentally—by "speculating" on our market—found a way to pull cash out of America after the First War. Raymond Poincaré was premier. The New York Stock Exchange did not have its present safeguards. As the method is explained, the Banque de France assessed French banks, at home and abroad, for a \$1,000,000,000 revolving fund. Each morning, the banks were instructed what stocks to buy or sell on the New York exchange.

No private operation could compete with a national treasury in manipulating the market. In 1924, the flow of gold (the profits) started to France. In 1929 the crash came. By that time, France had restored its gold reserves.

In World War I the losses of the Allies and their citizens were put at \$250,000,000,000. At the Boulogne conference in 1920, the Allies asked for \$67,250,000,000 and the costs of occupation, final payment to be in 1955. A year later, they presented an ultimatum for \$34,000,000,000 at five per cent, final payment to be in 1989.

Although France did meet Germany's demands for Alsace and Lorraine and \$1,000,000,000 in 1871, reparations are

May Vanquish the Victors

By JUNIUS B. WOOD

Ways in Which the Losers Will Pay:



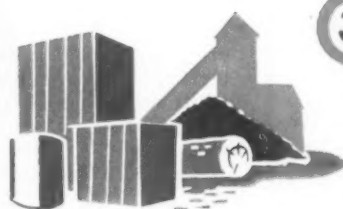
① Territory

The biggest indemnity item will be the loss of territory by Axis countries. Every country in Central Europe and the Balkans will be made over. All Germany's neighbors, with the exception of Switzerland, will share in the partitioning of the Third Reich.



② Movable Property

Nazi industries which survive the fighting and bombing will go along with the territory which Germany will be forced to give up. Representatives of the United Nations will decide which of Germany's surviving plants and factories in other areas are to move and which are to remain and produce to help meet the reparations bill.



③ Goods and Raw Materials

Nothing will be too large or too trivial to play a part in reparations. Penalties collected by the Allies after the First War, for example, included mineral resources, an entire merchant marine, numerous herds of cattle, 72,000 wine glasses and 175,000 napkins.



④ Manpower

Out of this war will come the greatest migration of people the world has ever known—not only millions of men and women returning to homes from which they have been torn, but millions of others forced to leave their native lands to toil for years to come.

usually disappointing. They lead to stuffy conferences, big figures and breath-taking unpaid balances. Modern war is so expensive reparations cannot balance the books.

Germany's chief source of cash for reparations after the last war was from the sale of goods for which both productive capacity at home and export markets abroad were necessary. To make that possible, the creditor nations—France, 52 per cent; Britain, 22 per cent; Italy, 10 per cent; Belgium, 8 per cent; Japan and Portugal, dividing 1½ per cent; and Greece, Rumania and Yugoslavia, dividing 6½ per cent—encouraged a strong economy for Germany. Much of the financing came from the United States.

Germany paid her war debts for a few years. The Dawes plan came in 1924, the Young plan in '29, the Hoover moratorium in '30. Then payments stopped. Meanwhile, German industry could stand alone and a few years later Hitler diverted it into war production.

That is why cash reparations are now looked on as one big mistake of the Versailles treaty. Other reasons are more immediate. The Axis powers have no appreciable amounts of cash or gold—the \$100,000,000 found in the Merkers salt mine is a dribble—their property in foreign countries is inconsiderable, their facilities at home to earn cash for reparations will be curtailed, and the Axis countries will be so well amputated or swallowed entire that they may not provide more than a bare existence for their own people.

Smaller countries whose agriculture and industry have suffered heavily believe they should receive a larger proportion of reparations from the Axis than big countries whose aggregate losses are higher but not such a large share of their national wealth. In theory, the reparations commission will make an equitable distribution. Actually, the commission can do little more than write an inventory and make recommendations. Higher authorities will have the final word and a country with an army of occupation will have the edge on deciding what comes out of its territory.

A foretaste of that has already appeared. The Red army did the fighting in Finland, Rumania and Hungary. Under the armistice terms, signed in Moscow, each country will pay \$300,000,000 in six annual installments. Far-sighted Moscow showed its confidence in America by specifying dollars. Reparations to other Allies are to be

fixed later but these payments absorb the export incomes of the three countries. Of the Hungarian indemnity, \$100,000,000 goes to Czechoslovakia and Yugoslavia. Otherwise the payments are to be to the Soviet Union, those from Finland in kind.

Complications in ownership

OFFICIAL protests have been made to Moscow against the removal into the Soviet Union of American- and British-owned machinery from the Rumanian oil fields which are occupied by the Red army. That brings more complications. Even easy-going Uncle Sam objects to donating American-owned property in Axis countries as part of reparations payments. Yet, if such property is not included and a country is stripped of all factories owned by its own nationals, only foreign-owned factories will be free to operate.

In 1940, our Department of Commerce tabulated American direct industrial in-

vestments, exclusive of securities and individual holdings, in Axis and occupied countries, as follows:

Country	Number	Value
Baltic Countries	11	\$ 1,297,000
Finland	20	5,502,000
Germany and Austria	144	349,399,000
Hungary	16	13,069,000
Italy	61	75,493,000
Poland	20	29,019,000
Rumania and Bulgaria	28	51,233,000
Yugoslavia	15	5,167,000
Totals	315	\$530,179,000

These countries now are largely occupied by the Red army. Other European countries have equally large investments in the occupied lands.

Nor are only foreign investors concerned. Thousands of citizens of Axis and occupied countries, Jews and others, were dispossessed of their property. If such property is included in reparations, the Allies confirm the Nazi and Fascist confiscations and even if it is restored to its original owners, those who have suffered so heavily may be forced to help pay reparations.

A Bill That Can't Be Met

LOSSES in this war are so great they dwarf any possible reparations. Example: Total prewar dollar value of Germany's property—including all factories, mines, railroads, homes, farms, buildings, highways and ships—does not equal one-half of what the war has already cost Uncle Sam. The war's cost to the Allies, so far, is conservatively estimated to be:

IN LIVES

Service men and women killed	2,600,000
Civilians killed	9,000,000
Service men and women wounded or missing	9,500,000
Civilians wounded or missing	7,000,000
Prisoners of war or slave labor	15,000,000

IN DESTRUCTION

Homes destroyed (not including China and the Far East)	6,000,000
Production and distribution units destroyed	Unknown
Ships sunk (excluding warships and small craft)	5,000
Airplanes destroyed	200,000

IN DOLLARS

U. S. war expenditures	\$275,700,000,000
British war expenditures	25,000,000,000
Russian war expenditures	140,000,000,000

To combine the war expenditures of all Allies, together with the losses of all Allied production and distribution facilities, would raise the total to more than one trillion dollars—or \$1,250 for every adult in the world.

Territory: Annexations of territory, valuable in natural resources, improvements and people, will be the largest item of reparations. In Europe, the Soviet Union has absorbed Estonia, Latvia, Lithuania and part of Poland which were among the United Nations. As reparations, it will annex parts of Finland and Rumania and install Moscow-approved governments in the Balkan states, possibly also in Persia and Turkey, to integrate them in the Soviet economy and reduce them to the same dictated standard of living. After its toll of death and destruction, the Soviet Union cannot have the impersonal attitude of the United States toward reparations. Also, though the Czars are gone, Russia's thirst for territory still remains.

Other nations also will acquire territory when the lines are drawn. Italy's African colonies and several islands would strengthen Britain's control of the Mediterranean. Yugoslavia has backing for Italy's Fiume and Trieste in the north and for Greece's Aegean coast on the south. Albania seems doomed to disappear as if still a victim of Fascist aggression.

Industries: The plants and the coal of the Saar, Ruhr and Silesia will go with the territory which Germany loses. Other and varied industries—electrical, textiles, potash, sugar, glass and a long list—are in Brandenburg, Bavaria, Saxony, Thuringia, etc.

(Continued on page 77)

The Alchemist of Federal Reserve

By HERBERT COREY



MORE perhaps than any other single person, Dr. E. A. Goldenweiser influences Uncle Sam's thinking and action on economic and financial matters

THERE may be changes in the Federal Reserve Board during the administration of President Harry S. Truman. The possibility is at least an interesting subject for speculation. New theories of international finance might affect the operations of the FRB and that, in turn, might suggest changes in the membership of the Board.

No one has suggested, however, that an impious hand might be laid on Dr. Emanuel Alexander Goldenweiser. He is the economic adviser of the Board which so largely controls our financial affairs. He has taken on the aspect of a permanence. His views on gold, silver, bank notes, currency and related topics are read with international interest. He has become something of a world umpire. Like other umpires he is at times subject to criticism from the bleachers.

It is difficult to define him with precision. One man who makes a profession of carrying political hand grenades says Dr. Goldenweiser is a rank conservative who is untiring in his defense of the profit motive. This appears to be a grave charge. He adds the further indictment that the doctor is unflagging in his effort to save capitalism. In spite of this, he is a likable man.

"And very able," he adds with a suggestion of regret.

Another who makes a business of observing the financial cantrips of the world says that bankers like Dr. Goldenweiser. He is regarded as sound. Yet one of the foremost journals of business and finance notes sourly that, if the Goldenweiser ideas were carried into effect, the free competitive system would be sacrificed.

"The delivery of over-all economic planning into the hands of a government office, together with power over the citizen's whole personal status will doubtless strike many observers as a strange way to preserve a free society." The suggestion is that Dr. Goldenweiser is moving in the direction of a totalitarian state. He would have the national economy "stabilized at the top."

Another refutes this implication of dangerous tendencies by reporting a conviction that Dr. Goldenweiser thinks of Keynes and Hansen (Dr. Alvin H.

Hansen was reported on in the June, 1944, *NATION'S BUSINESS*) as unsound. He qualifies this by the suggestion that Dr. Hansen sometimes in the heat of debate takes positions that later he reluctantly defends. Dr. Hansen, however, continues to be one of Dr. Goldenweiser's valued assistants.

Another tinges his report with cynicism in observing that Dr. Goldenweiser has been in government service for about 35 years without quarreling with any of the administrations current.

He thinks that the Doctor gained his knowledge of economics as he went along. If this is an implication that he is practical rather than bookish it should be observed that he has been a student at three colleges.

Without prejudice, then:

Economist of Federal Reserve

FOR something like 20 years his name has appeared in print when there were official discussions of monetary and banking problems. During much of that time he was ranked as the foremost economist of the Federal Reserve system. The FRS is controlled by the Federal Reserve Board. The chairman of the board is Marriner Eccles, a banker who at times releases a cold chill down the necks of other bankers. Some think of him as practically a heretic.

Congress was asked, before Mr. Truman became President, to permit the FRB to reduce its legal reserve requirements from 40 per cent to 25 per cent, which would permit the FRS banks to expand credit. The alternative proposition, as advanced by gold-state senators, was to raise the price of gold from \$35 to \$56 an ounce. Ralph Robey has commented that:

"If we have to make a choice between raising the price of gold and just frankly admitting that we are running the

printing presses, by all means let us adopt the latter. Both would mean that, in time, our monetary and financial system would be ruined, but the direct method would at least be out in the open and the public could see what is going on. . ."

Before and during the Great Depression Dr. Goldenweiser was frequently called before congressional committees to suggest answers to such questions as were involved in declining prices, the distress of agriculture, and unemployment in industry. His advice was sought at various European conferences dealing with gold and related problems.

In the early days of the New Deal no congressional hearing on the reorganization of the monetary system and the banking structure was complete without his testimony. The statutes of that period and amendments to laws made in more recent years all bear the imprint of his influence. Less conspicuous but no less important was his part in shaping the administrative policies of the Federal Reserve system during the upward pull from depression. Similarly, he has been a factor in devising means for war financing through the banking system. Last summer he was one of the American experts at the Bretton Woods Conference and helped fashion the agreements for an International Mone-

tary Fund and an International Bank for Reconstruction and Development.

Dr. Goldenweiser—every one speaks of him as "doctor," in conformity to recent practice in Washington, although he sticks to the old-fashioned "mister"—has recently been promoted by the FRB. He has been relieved of details, hiring and firing, program-fixing and the like. He is now able to devote his entire time to thinking about today's financial problems. The impression is that he is cold-blooded about this. He has a distaste for people who are so sure they are right that they will not listen to the other people they are sure are wrong. He examines facts, assays them, tries them under the microscope and finally drops them into the retort to sizzle. If the end product proves to have value he is pleased. If it is dross he tries a different mixture in the next kettle.

Charts in a marble palace

HE WOULD not like to be compared to an alchemist, because alchemists were persons of unsound scientific attainments who lived in cellars and hunted for the Philosopher's Stone. For all that, some visitors think about alchemists when they walk across the carpet in the long room lined with charts, in the FRB's pink marble palace on Constitution Avenue, toward the desk in the distant end at which he has his being.

He wears a disorderly shock of hair which is a shade of gray off white. His face is thin and sensitive, his nose aquiline, his eyes strikingly bright and kindly behind the glasses with which he makes frequent play. His voice is low and friendly. For a man whose business is to pass judgment on what is going on financially in all the world—and on his fellow economists—he is singularly unexcited. No stuffed shirts in his closets. He is five feet five inches tall, somewhat stooped. He weighs 155 pounds, and his hand is warm.

It seems not to have occurred to him that he has had an extraordinary career.

Emanuel Alexander Goldenweiser was born in Kiev, Russia, in 1883. His father was a lawyer, well-to-do, and was gifted with prescience. The world was getting along nicely then, except for a few hundred million people who were a little hungry, and an epoch of prosperity was opening up. Forty-room villas were being built at Newport. English dukes were not bothered by ceilings when they went stag hunting, and royal families played happily as puppies all over the map.

Young Goldenweiser was sent to New York for his schooling after he graduated from the Kiev First Gymnasium in 1902 because his father was troubled by the signs he read in what other folks thought were heavenly skies. The younger Goldenweiser was never forced to sleep on a park bench or wash dishes for his meals, because his

father gave him a sufficient income. Being an entirely candid man, he has never pretended regret at having missed these romantic adjuncts to a career. They would have been unpleasant and would have interfered with his business in life, which was to become an American.

His father had been "wiser than one could believe." Russia began to go to pieces. He had been a humanitarian and a writer and interested in social legislation. When he died in 1915 he had lost all his property but the boy in the United States had profited by the liberty he had admired. In 1903 he was A.B. at Columbia, an A.M. at Cornell in 1905 and Ph.D. in 1907. One of his first teachers at Columbia had advised him:

"You want to be an American? Then get out of New York. The atmosphere here is all wrong. Go to Cornell."

In the year that he won his Ph. D. at Cornell he was given his papers of naturalization. Through the influence of one of his teachers he was given a job as special investigator for the U. S. Immigration Commission, and was assigned to inquire into the conditions under which our foreign-born population lived, worked and died. He has been in official employment ever since: special agent for the U. S. Census, statistician for the Office of Farm Management in the Department of Agriculture, and in 1919 assistant statistician for the Federal Reserve Board.

Active in economic groups

DURING his climb upward in the FRB he has served on other federal commissions and has found time to write several books—his study of "The Federal Reserve System in Operation" is regarded as authoritative—many articles, and has taken an active part in statistical, financial, and economic society and societies.

His father had been right when he sent him to the United States to find freedom.

He is lucid and precise.

This was an outpost country up to the First World War. We were expanding and developing rapidly. We borrowed capital for our needs. After the war we found ourselves a creditor nation and were not psychologically prepared for our change in status. The col-

lapse of 1929 was largely our own doing. The Stock Exchange loans were fairly well protected, so far as the bankers were concerned—tough for the individuals concerned—but our real estate operations were very sour, indeed.

We went into a tailspin.

He examines the enormous problems which tomorrow will present in what appears to be a fairly dispassionate fashion. Others do not accept some of his suggestions:

"Does Mr. Goldenweiser really believe what he has been saying?"

He replied firmly to one recent questioner:

"I do."

Plans need more debating

BUT he has observed that our thinking and doing is as yet theoretic and disorganized. We must debate the plans proposed. Out of such careful consideration, we will ultimately emerge with something workable. We must have policies which will lead in the direction of safety. He hopes we will muddle through—not just muddle.

"No one thing will do it."

What has been destroyed can be reconstructed. The world faces a terrific human problem in the hatreds that have been created. That is the most important single fact that faces the world today:

"There may be no solution, but I am not hopeless. I do not feel myself wise enough to offer one, but we can but try."

Here in America our hatreds do not go so deep. We are more tolerant. We have greater moral resources than the European peoples—not that we are superior but we have not been subjected to the same stresses, and we have not been hungry. In China and Japan hunger is chronic. In Europe prolonged semistarvation has created a hatred that for the time is likely to blur thinking. Yet Germany must be permitted to function in the world economy because the world must have jobs.

"No generation has a right to sacrifice itself for hoped-for benefits to the next generation. We never can be sure enough in our answers to be justified in sacrificing ourselves."

Dr. Goldenweiser thinks of himself as walking in the middle of the road. It has been observed that others do not agree.

A recent address to the Agricultural Outlook Conference, reprinted in the FRB Bulletin, may be presumed to have been accepted with official forbearance or better. In it he stated the plan for "stabilizing at the top," which has aroused the anger of those who fear that our Government is day by day becoming more authoritarian. He reported to the conference:

"We have to have in the Government a place for formulating over-all economic policies. We have to have a person in Washington whose

(Continued on page 82)



BOY or Girl?



There's not much use spending time pondering that. And who *really* cares? You'll be happy with your baby—boy or girl.

In the meantime, you young, first-time mothers and worried fathers—whether far away or near at hand—can do a lot to insure favorable answers to these and other important questions:

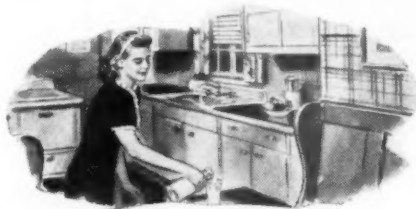
TO EMPLOYERS:

These facts will help those of your employees concerned safeguard the health of Expectant Mothers. Metropolitan will gladly send you enlarged copies of this advertisement, suitable for posting on your bulletin boards.

1. Will Mother have an easy time? Very likely. Pregnancy is a normal process, not a state of ill-health. But she should see her physician or go to a maternity clinic *early*—at least before the third month.

The doctor can foresee and avoid most

2. Will Baby be healthy? And why not? He'll benefit, of course, by mother's wise diet before he's born. To really nourish baby, it should include *extra* amounts of the foods he needs most, such as calcium. A baby's calcium needs are so great, he may draw from the mother's teeth and bones.



Mother needs eight hours sleep every night besides daytime rest periods. Strenuous exercise—especially lifting or pushing heavy objects—should be avoided. Clothing should be comfortable and loose, shoes carefully fitted.

3. How can Father help best? Mothers and fathers have equal shares in parenthood.

If father is away, he will want to make sure that mother is at least near friends and family. He should write to her as



often as possible, for his affectionate consideration and encouragement are specially important.

Should he be home, his first job is to see that his wife goes to the doctor early and carefully obeys instructions. He should also make proper arrangements for baby's delivery.

Send for Metropolitan's booklet, 65P, entitled, "Information for Expectant Mothers."

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difficulties by examination, blood tests, and the patient's co-operation—if he's consulted early, and as often as he wishes.

★ SERVICE MEN AND WOMEN...KEEP YOUR GOVERNMENT LIFE INSURANCE! ★

How Labor Sells Its Wares

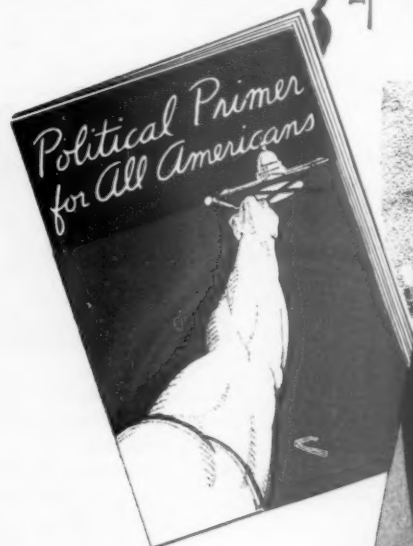
By HERBERT COREY

SPOKESMEN for CIO think business will ultimately adopt the CIO recipe for promoting the right kind of public relations.

They do not say this with their tongues in their cheeks or with any suggestion of hostility. Far from it. They are modestly confident that CIO's recipe is good—the best in sight as of this date—and that business will—ultimately—recognize that fact. They think this would benefit everyone. Even the national organizations of the major political parties might follow suit.

The plan isn't patented. Anyone can use it. It isn't even new, for that matter. CIO didn't invent it. CIO just saw it and took it and put it to work.

Sawdust politicians have always used it, according to Kermit Eby, chief of CIO's research department. They know that a bartender talks to more persons each day than does a professor. The bartender talks about things that interest



his customer. If the customer ceases to be interested he puts his dime down on the bar and walks away.

By an adaptation of that thought, CIO has built up an extraordinary machine of publicity for its plans and its principles of action. Each segment of the American people is reached in the particular fashion that will interest it.

Intellectuals read CIO's *Economic Outlook*, a periodical abounding in statistics, graphs and scholarly essays by economists.

The *CIO News* has a weekly circulation of perhaps 500,000. The *News* is just what the name suggests. It car-

Best by Every Test!

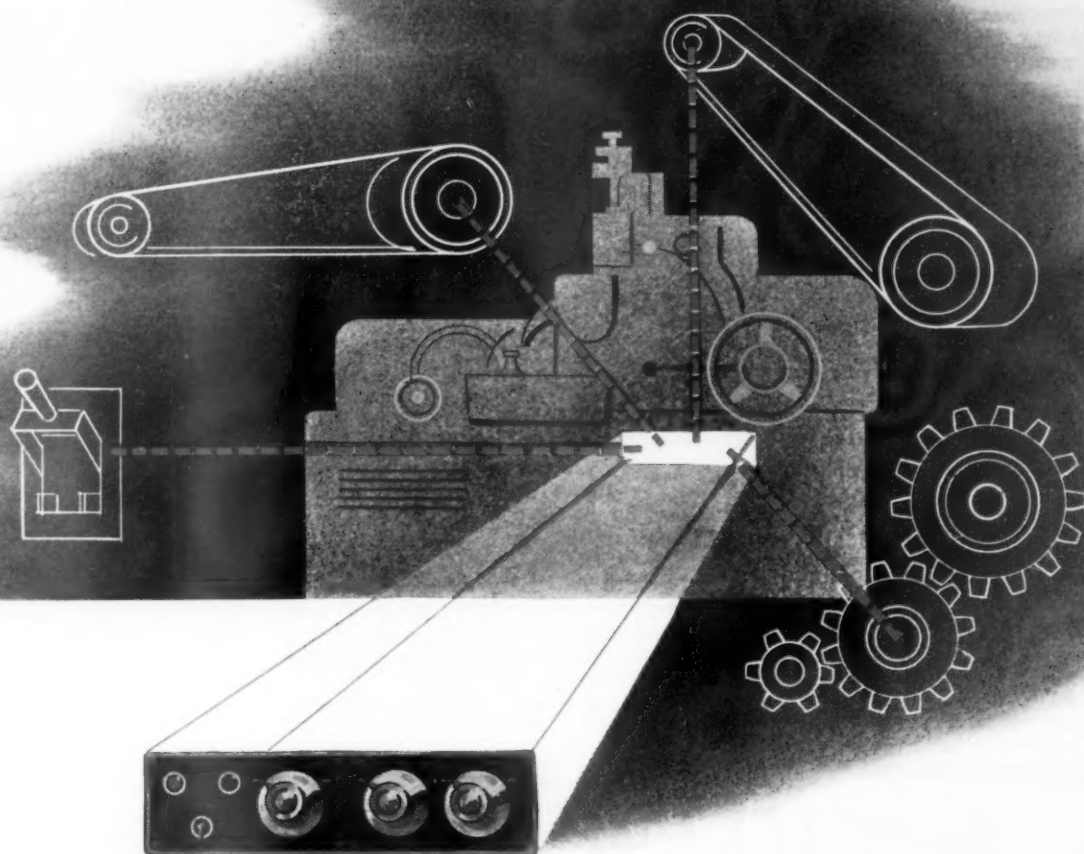
The CIO NEWS, January 22, 1945



CIO, aiming to reach each segment of the people in a way that will interest it, has built an extraordinary publicity machine

ilization
els. manpower and management.
to get to the heart of





Operators now "DIAL" for SPEEDIER PRODUCTION

Wartime demands for precision parts have put a premium on superior finish and higher production. To meet this need—now and postwar—a machine tool manufacturer undertook the design of a new type centerless grinder.

On older models, a constant speed drive had been used—requiring complicated belts, levers and manual controls to make the necessary speed adjustments for individual grinding operations. This slowed up production. A major problem in design was to provide a wide range of stepless speeds with simple, built-in control.

Working with the manufacturer, Westinghouse engineers designed a special d-c Adjustable Voltage

Drive, "tailor-made" for this job. Speed of the grinding wheel is held constant at all times. Yet the operator can adjust regulating wheel speed from 60 to 1600 rpm—to take care of the type and size of work being handled. All adjustments are made by simple dial settings—saving the operator's time, greatly speeding production.

Tailoring electrical equipment to meet specific drive and control problems is an everyday job for Westinghouse engineers. To put this broad engineering experience to work for you, just call your nearest Westinghouse office, or write Westinghouse Electric Corporation, P. O. Box 868, Pittsburgh 30, Pennsylvania.

J-91300

HOW **W.E.S.*** CAN HELP YOU PLAN . . .

A nationwide corps of Westinghouse Engineers offers you broad electrical and production experience gained through years of working with *your* industry.

These men can give you valuable assistance on *product development, rehabilitation of existing equipment, maintenance, material substitution.*

Put this service to work on your present problems . . . let these men work with your engineers in planning for reconversion to postwar needs.



Westinghouse
PLANTS IN 25 CITIES OFFICES EVERYWHERE

TUNE IN JOHN CHARLES THOMAS, SUN, 2:30 EWT, NBC • HEAR-TED MALONE, MON, TUES, WED, EVENINGS, BLUE NETWORK

* WESTINGHOUSE ENGINEERING SERVICE FOR INDUSTRY

ries the news of labor, from CIO's point of view, plus some things never before seen in a labor paper. There are comic strips, for example, good comic strips, which carry both a laugh and a punch; some in colors. These strips are being offered at a price to about 200 regional CIO newspapers. In the "Adventures of Jim Barry, Trouble Shooter," the tall, dark and handsome editor of a labor paper solves a murder in a labor-management committee. The murderer is the attorney for:

"Some stockholders."

"Was that quite fair," I asked Len De Caux, CIO's publicity director.

"I think so. That single strip might seem to be targeted on stockholders, but we went over the whole series and agreed that it was a perfectly natural story. No bias intended."

The service men's edition of the *CIO News*, circulation 100,000, is filled with labor news, but it is also worth reading for its own sake. Each edition carries two or more pin-ups—they are really something—and some funny cartoons. The aim is to give the soldier-reader a laugh and not to arouse him over some labor-political issue. The straight labor news is not handled in a contentious manner. Emphasis is put on the need for jobs, what the veteran will demand

when he comes home and what CIO unions are doing for the war effort. The same facts, treated in the same way, can be found in any daily newspaper except that there is something of a concentration of emphasis on the labor angle.

The columns of CIO publications are open to all matters that affect labor and the citizen. The Bretton Woods monetary proposals are warmly supported: "5,000,000 jobs hinge on them."

CIO view of many things

SOCIAL Security, reconversion, world labor organization, plans for better relations with farmers, postwar problems to be faced in Europe: "our nation is planning too little and too late." The plight of the white-collar workers, the myriad other questions that are to be sighted on every hand, are put before the readers. The point of view is, of course, that of CIO, but outright propaganda is avoided.

"We do no tub-thumping," said both Eby and De Caux. "Labor's methods have been changed. We try to interest people. Make 'em like our publicity."

A means to that end is, quoting Eby, "to project into new media."

Not every man will read an essay,

even if he is interested in the subject being treated. Therefore great use is being made of films.

Labor produces few films, but has issued a catalog of recommended films, together with information on where to get films, screens, projectors and how to operate them.

Many of the films were made by the Office of War Information, including one of Henry Wallace speaking on the century of the common man. In the introduction to the catalog:

"One picture can tell more than 1,000 words, and people like to go to the movies. Films offer relaxation and entertainment and create a receptive audience for ideas—stimulate emotional responses through which beliefs and attitudes are formed or changed."

The radio is assuming greater importance in CIO's publicity-gaining effort.

Objections to the granting of time have been overcome, and the union now has a weekly program on the Blue Network, a quarter hour on CBS, and expects to start a program on NBC in July. No agreement has yet been reached with Mutual.

The rule made by the Radio Broadcasters against the purchase of time for controversial subjects has not yet been



This cartoon strip, which appears in CIO's weekly *News*, carries a laugh and packs a punch. Publication rights are being offered to 200 regional union newspapers

abrogated and its privileges on the air are tagged as "public service."

CIO does not now own a radio station, but is considering a purchase of FM transmitters after the war. The United Auto Workers have made formal application for stations at Los Angeles, Chicago, Detroit, Newark, Cleveland, and Flint, Michigan. Various other affiliated unions and regional CIO councils have been considering the possibility.

Entertainment and instruction

PHONOGRAPHS have been used with success, and it is probable their use will be extended. Dramatic skits have been recorded which will afford both entertainment and instruction at meetings of local unions. These records can in turn be used on the air, in case local radio talent is hard to find. There is no apparent shortage of talent, however. CBS collaborated with CIO on a series entitled "Jobs for Tomorrow," and it is good. Take a sample:

"Fairless shouted over the roar of the mill:

"How about it? Can you make more steel ingots?"

"All we need is the orders, Mister—all we need is the orders."

Again:

"I'm an open-hearth man. My name's Eddie McGowan. We think we can have a stabilized industry after the war. We think the best way is to have a guaranteed annual wage—

"I know management wants a stabilized industry just as much as we do. They've got ideas and plans, too—but that's how we think about it."

A dozen or more of the greater industries are reported on in the "Jobs for Tomorrow" series. The perspective is defined in a quotation from the "biggest uniform manufacturer in the country:"

"Between our management and our union there is a large area of agreement not only on matters of immediate or local concern but on questions of the most vital consequence for the pressing days ahead—"

Labor tells its viewpoint

OF COURSE the CIO viewpoint is presented in the CIO publicity—Federal health insurance, the guaranteed wage, "labor must have a voice in government," "international trade trickles down to us little fellows." But the method has been changed. This is dramatically illustrated by an excerpt from the broadcast story of a visit to the Ford plant:

"If you'd been here some years back you might not have been able to hear me, with the sound trucks blaring and the union men distributing literature. Those were the days we were organizing—

"Today in Detroit things are different. Labor gets along even better than it ever has in the past. Our hope is we'll be getting along with management even better in the postwar world."

Eby and De Caux tell the story of the

change. They are comparative youngsters. Both belong to the AF of L. For that matter most of the men and women in CIO's publicity department are AF of L members. Eby is a tall, stalwart blond, friendly and candid, with a faintly professorial air. If he does in fact suggest that he might be a professor, the resemblance was picked up en route. He came up the hard way. When he was a youngster he went away from home. He did not run away. He merely left, in the American tradition, because he felt his family was not keeping abreast of the times. The suggestion is that Mr. Eby, Jr., was out in front.

No one suggests that he suffered. He waited on table for a time, then became a hand in the Studebaker works, odd-jobbed diligently, somehow acquired an education, managed a tour of the Orient on the money he had failed to save, got back to Detroit and a teacher's job and to sympathetic participation in the sit-down strikes.

He moved on to become the executive secretary of the Chicago Teachers' Association and it was then that some part of CIO's present plan of publicity seems to have been conceived. The Teachers' Association engaged in a fight with the Kelly-Nash machine, along with other elements of Chicago's population. Eby's account of what happened is colorful.

Voters get most attention

"WE APPEALED to what we called the 'better elements,'" he said. "The politicians were statisticians. They looked after the men who would come out to vote. Only 25 per cent of the good folks could be bothered, but practically everyone of the others checked in. It used to be funny to watch a delegation of the good women call on the mayor to protest against something:

"I am so glad you came to me," the mayor would say. "I am shocked—(or something)—by the facts you have placed before me. The matter shall be given my personal attention. I wish that all citizens would do as you have done today, in the interest of better government."

Eby said they would shake hands all round, the women would back out, smiling, the mayor would metaphorically throw the minutes of the meeting in the wastebasket and all would go on as before. Once Eby checked on the actual organizational value of the "better element."

"Our man was in. We knew it. We had a meeting to congratulate him on his victory and invited those who had supported him. Three hundred came out to ride the band wagon. We sent out personal letters, asking them to give their personal aid, and do you know how many responded?"

Effective pause for reply. No reply.

"Seven," said Eby.

So, when Eby and De Caux joined CIO's staff in 1936, they had no idea of how to do what they were hired to do. Both agree that in the early days of the

organization there was plenty of publicity of a sort:

"We had to make a noise. We had to prove to labor that we were trying to do something to help. We had plenty of table-thumpers."

The circus season ended and the work of organizing began. This is drear, they say. Monotonous. It is difficult to keep away from straight-out propaganda, which isn't needed in many cases because the other fellow is already convinced. A mailing list of 60,000 was set up, broken down into 29 groups. These include teachers, Protestant ministers, Jewish rabbis, Catholic priests, parent-teacher associations, YMCAs, YWCAs, USOs, small town and county newspapers, religious and labor press, columnists, radio commentators, and miscellaneous individuals and organizations. Not all are members of CIO. The work of building a "live" list is fairly well completed in the cities. Now, Eby says, the effort is being beamed toward the states.

"Selling" the organization

THE intent is, of course, to "sell" CIO, just as a business organization tries to sell its product. The salesmen get right into the sawdust. Racial, religious or color discriminations are under constant attack, but no energy is wasted on those who are already sold. In one of the booklets a negro is shown talking across his lathe to a white workman. The latter tells of a letter just received from his sergeant brother-in-law:

"He hopes we'll figure out a way to lick depressions and poverty the way we're licking the Nazis and the Japs."

The Negro replies:

"We better, or else after the war you and me will be fightin', the women in my wife's shop will be fightin' the men, and the ol' folks will be outa luck altogether."

The booklet in which this dialogue appears is only one of a long series—plain and colored—in which national and labor problems are discussed in terms that are intelligible and interesting to the groups addressed. CIO frankly addresses itself to the "masses."

These pamphlets sell at from 5 cents a single copy or \$4 a hundred up to 15 cents a copy. An average distribution of 35,000 has increased to an average of about 150,000 and an all-time high of 285,000.

A "Political Primer for All Americans" defines politics as "the science of who gets what, when and why. Politics exists in every civic group, church, labor union, family. The key man is always a politician. He keeps things going, wheels turning. Politicians are good, friendly people. They resolve conflicts, compromise in the best sense."

In "Your War Job with Congress" the reader is informed of the manner in which Congress works through its committees and its individual members. He is told how to make contact with his congressman:

"Be sure you know what you are talk-



**"Nurses! Won't you come
and help save lives?"**



"I'M FIGHTING pain, suffering, despair, death . . . I'm restoring the chance to live to men whose heroism and sacrifice have earned our everlasting gratitude . . . These men have fallen, sick or wounded . . . It's our turn to fight for them . . . Their need is urgent . . . To help them is a privilege that fills the heart with pride.

"But more of us are wanted . . . All the miracles of medicine, surgical science, fine equipment, are not enough if nursing care falls short . . . With mounting casualties, my fellow nurses and I are perilously close to being too few in number . . . We need help quickly, desperately — and every woman in America has a chance

This advertisement is contributed to the Army Nurse Corps recruiting program by Hardware Mutuals.

to fill that need." *How all women can help:* If you are untrained—take a home nursing or nurse's aid course. If you are a senior cadet nurse—serve your final six months' training in an Army hospital. If you are a registered nurse—join the Army Nurse Corps. For full information and application blank, write or visit your local Red Cross, or communicate with the Surgeon General, Washington 25, D. C. Your help may mean the difference between life and death to our wounded men. **ACT TODAY.**

FEDERATED HARDWARE MUTUALS
Hardware Dealers Mutual Fire Insurance Company, Home Office, Stevens Point, Wisconsin
Mutual Implement and Hardware Insurance Company, Home Office, Owatonna, Minnesota
HARDWARE MUTUAL CASUALTY COMPANY
Home Office, Stevens Point, Wisconsin

LICENSED IN EVERY STATE

Hardware Mutuals

Stevens Point, Wis. ★ Owatonna, Minn. ★ Offices Coast to Coast
*Compensation, Automobile and other lines of non-assessable
Casualty and Fire Insurance*

ing about when you meet your congressman—your firmness will be much more effective if you are polite at the same time."

He is told how to organize delegations and how to make his letters brief and to the point.

"When your congressman does the right thing be sure to write congratulating him. Congressmen are human; they like to be praised as well as told what to do."

Advice for speakers

A PRIMER for CIO speakers tells the anticipant orator to begin and end on time.

"If you do not know the answer to a question say so frankly. Do not try to bluff."

If the speaker is nervous, "don't let that bother you. Every speaker is nervous. The practiced speaker has learned how to hide it."

Amateurs on the radio are told in the Radio Handbook "not to change their style. Warn them to talk over the air just as they tell stories at the lunch hour or over a glass of beer." A book shelf gives the titles of books which should interest labor. "The listings were not selected to emphasize purely CIO point of view."

A book-of-the-month club may soon be in operation. The *CIO News* may soon be on the newsstands.

It is doubtful if any other publicity agency can make the claim that Len De Caux does:

"We are almost paying the expenses of CIO publicity by our sales."

A "first" in public relations

HE THINKS he is the first "modern" public relations executive to be employed by a labor organization. After an experience in orthodox reporting he worked on the Illinois Miner and the Locomotive Engineers' Journal, until the Federated Press sent him to London and Berlin as its labor correspondent and then brought him back to Washington.

He is a student of international labor and political problems and an effective radio commentator. He came to CIO when that organization was formed in 1936, and for the most part handles the actual news while Eby operates the research and educational angles.

The PAC's "non-partisan" doorbell ringing traces directly to the methods they have employed. Both men believe that other elements in the business world must in time adopt the CIO plan. They think it should be possible to establish pleasant relations between management and labor:

"It can be done," said De Caux. "Look at the men's garment industry. The men and the bosses used to fight like hell. Then they got interested in the reasons and got together and the trouble ended."

They think that—to be metaphorical—the place to interest a man is in the sawdust.

Electrical Weapons by the Maker of Bell Telephones

No. 3 of a series: *for the Signal Corps*



How to make 2 wires do the war work of 20

As our armies push forward, they need more and more communications channels. They get them quickly—thanks to Western Electric carrier telephone equipment.

Without carrier, 2 wires ordinarily carry one telephone and one or two telegraph circuits. By using carrier equipment, more telephone and telegraph circuits can be provided without adding more wire. This makes maximum use of existing wires—eliminates the need to manufacture, transport and install thousands of additional miles of wire—saves countless hours in providing vital circuits.

The Army, for example, uses carrier to obtain three telephone and fourteen telegraph circuits over one pair of wires. Even with the use of much carrier equipment, the Army's consumption of wire in France ran as high as 3,000 miles per day.

Carrier telephone equipment has long been made by Western Electric for the Bell System. Army needs, however, differ in many ways from regular telephone requirements.

To meet these wartime conditions, Bell Laboratories engineers designed a revolutionary "packaged" carrier equipment for the Signal Corps. Self-contained, completely wired for quick, easy installation, these units have been produced by Western Electric in vast quantities. On every front, they are speeding our Circuits for Victory!

*During the Seventh War Loan Drive,
buy bigger extra War Bonds!*



Western Electric

IN PEACE...SOURCE OF SUPPLY FOR THE BELL SYSTEM.
IN WAR...ARSENAL OF COMMUNICATIONS EQUIPMENT.



The Long and Short of It . . .

★ **AFTER FOUR YEARS** of restricted production on practically all civilian items, industry is setting its sights for reconversion along a broad front. What will be available, when?

NATION'S BUSINESS presents a round-up of latest official and trade estimates for the busy executive.

Basic raw materials are in ample supply for all U. S. war needs plus reasonable civilian requirements, but manpower for maximum production is lacking in every industry. Congested transportation likewise slows down all types of distribution.

As military discharges now equal military enlistments, the peak of the manpower pinch has passed but, in many items, civilian supply still is deferred by huge military purchases for lend-lease distribution and relief stockpiles in Europe, Asia and Africa.

The whole picture on civilian supply for the last half of 1945 can't be known until Washington: (1) decides when manpower controls will be relaxed, and (2) fixes some system of priorities as between U. S. needs and foreign relief and reconstruction demands.

With these two variables assumed, the outlook is:

Alarm Clocks—Spot authorizations, which began last summer, have brought several clock plants back into restricted production. By the end of 1945, civilian alarm clocks will be coming off at rate of 10,000,000 a year, says WPB; but the deferred demand was estimated at more than 10,000,000 clocks as of Jan. 1 this year.

Most clock factories will be engaged exclusively on fuses and combat instruments until end of Pacific war is definitely in sight.

Middle of 1946 is earliest prospect on prewar clocks and watches.

★ ★ ★

Aluminum—Basic pig is available for every normal demand, but shortage of component parts still restricts production of usual household items. Fractional horsepower motors, for example, are the principal bottleneck in home appliances, restaurant equipment, laundry machines.

Some civilian production has been resumed since September, but accumulated backlog of orders could not be supplied in 18 months of normal production.

Relaxation of WPB's limitation orders in this industry must await broad improvement in manpower picture.

★ ★ ★

Automobiles—With much advance planning and engineering already accomplished, auto industry can resume civilian production four months after WPB gives the signal; another six

months then will be needed to attain volume production.

With commercial trucks taking first place in needs list, new passenger cars appear definitely out until early next year.

Deferred domestic demand now placed at about 12,000,000 passenger vehicles, considerably more than two years' maximum production at prewar rate.

★ ★ ★

Bedding & Furniture—Innerspring mattresses won't come back into substantial civilian production for at least six months after V-E Day, principally because high carbon steel will continue in heavy demand for European reconstruction. The mattress industry estimates a 100 per cent replacement demand already waiting in U. S. market; faces no serious reconversion problem; needs only manpower and material releases.

Other furniture items are in theoretical production under about 25 spot authorizations. But all furniture is made of steel, wood and textiles—the three most critical items in the commodity list. Furniture industry estimates it needs 150,000 additional workers to supply current domestic demand.

★ ★ ★

Canned Foods—Limitations on tin plate, plus difficult manpower problems under retail price ceilings, forecast smaller civilian supply of all canned fruits and vegetables this year.

For all items combined, civilian allocations throughout 1945 will be about 20 per cent smaller than last year.

End of war in Europe does not lessen army requirements, because men in non-combat zones enjoy more varied diets than field rations supplied front-line troops.

No substantial improvement in canned goods supply in prospect before summer of 1946.

★ ★ ★

Carpets—Since 1943, about 75 per cent of carpet looms have been converted to military duck and blankets, with Army and Navy taking much of remaining carpet production. Present contracts will keep carpet makers at their military work well into third quarter of 1945, after which reconversion and replenishment of distribution inventories will require another four months.

Linoleum floor coverings are available in approximately 25 per cent of normal supply, but in restricted wartime patterns and often with substitute materials in place of war-scarce cork.

★ ★ ★

Coal—Regional shortages of some industrial grades last winter were bridged by emergency shipping directives from Solid Fuels Administration, despite record production of 600,000,000 tons of bituminous in 1944. (Anthracite output was 60,000,000 tons, about 50 per cent above 1938 but still 40 percent below 1918).

With military cutbacks and an increasing percentage of waterpower electricity, coal requirements this year will be down about five per cent from 1944; but production must decline by an equal percentage because the older men left in the mines can't maintain maximum production through a third successive year; much mine equipment also needs replacement.

Fuel pinch will continue through the winter.

★ ★ ★

Construction—Controls will remain in force for a while, but with gradual relaxation of WPB limitation orders as supply situations improve with receding military demand.

Brick, cement, concrete blocks and tile are in easy supply; lumber, steel, hardware, plumbing, heating, electrical equipment, and screening are very tight. Roofing materials are available in most sections, except wood shingles.

WPB plans to relax controls step by step, increasing the volume of maintenance and repair work permitted on each job; finally approving new projects

GEARED TO HELP YOU GET THE MOST FROM YOUR BURROUGHS MACHINES

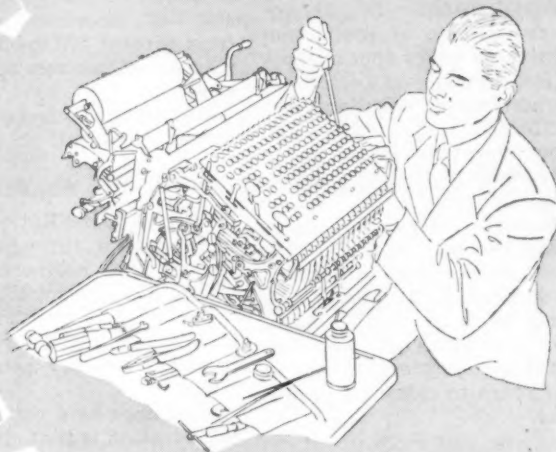


MECHANICAL SERVICE

Regular, periodic inspection, lubrication and adjustment of your Burroughs machines can do much to insure best performance and maximum production. All Burroughs service is rendered by factory-trained, factory-controlled service men. Cost is moderate . . . and all service work is guaranteed by Burroughs. If you have not already done so, arrange now for this efficient, low-cost protection.

INFORMATION SERVICE

The Burroughs technical staff is working with users constantly—helping them make fullest use of the business machines they now own . . . helping them adapt these machines to new conditions. The services of this staff, as well as the up-to-date machine accounting information in the files maintained in every Burroughs office, are available to you at all times.



For help in getting the fullest use from your present Burroughs machines, call your local Burroughs office, or write Burroughs Adding Machine Co., Detroit 32, Mich.

SUPPLY SERVICE

Quality supplies, too, can play an important part in maintaining highest standards of production in office work. Burroughs carbon papers, ribbons, roll papers and other supplies for all makes of business machines are manufactured to specifications that Burroughs' years of experience have proved give best results. It will pay to standardize on Burroughs quality supplies.

1st
Burroughs
IN MACHINES
IN COUNSEL
IN SERVICE

ADDING, CALCULATING, ACCOUNTING, BILLING AND STATISTICAL MACHINES
NATIONWIDE MAINTENANCE SERVICE • BUSINESS MACHINE SUPPLIES

without priorities when and where materials are available.

Best bet is that construction controls will be lifted, effective Jan. 1, 1946.

★ ★ ★

Distilled Spirits—Bumper corn crop foretells resumption of bourbon production in third quarter, as demand for industrial alcohol diminishes with military cutbacks. But stocks of distilled spirits now are lowest since 1936, and present trend toward blends will be accentuated considerably before aged supply catches up with consumption.

Beer production in 1945 is estimated at 10,000,000 to 12,000,000 barrels above 1943; but military allocations indicate a continuing short supply for civilians at present employment levels.

Domestic wines are abundant; Caribbean rums are plentiful but controlled by import licenses; Scotch will reappear about 1948.

★ ★ ★

Dyes—Civilian supply is far below peacetime normal, but shortage is not acute because of scarcity of textiles and carpeting in normal civilian outlets.

Ninety days should bring ample civilian dyes—probably long before civilian textiles become available.

★ ★ ★

Electrical Appliances—In refrigerators, a mere dribble of production has been maintained under spot authorizations, but real supply won't come until six or eight months. Small motors again the bottleneck.

Washing machines are in the same position, but can be in volume production within four months.

Vacuum cleaners, already are on a mounting production schedule, still supply only about ten per cent of current replacement demand.

Fans will not be in the picture soon. Telephones for civilians are in limited production, but industry anticipates it will need two years to catch up on deferred demand.

★ ★ ★

Fats & Oils—Most edible items have been in short civilian supply during past three months, and no improvement is in prospect until exports are curtailed. Lend-lease shipments took 15 per cent of all edible fats and oils produced in U. S. last year, including 21 per cent of all lard.

Total civilian supply for 1945, including both vegetable and animal fats, is estimated at 42 pounds *per capita*, a decrease of about seven per cent from 1944.

Per capita butter consumption by U. S. civilians last year was about 12 pounds, against a prewar average of 16.7 pounds. This decrease of 28 per cent in butter was covered in part by margarine, consumption of which has increased a little more than one pound *per capita*.

Lend-lease butter shipments dropped

from 80,000,000 pounds in 1943 to 24,000,000 in 1944 and currently are running 2,000,000 pounds a month.

★ ★ ★

Fertilizers—Munitions program has been the limiting factor in production of most fertilizers, particularly nitrates and sulphuric acid. Farmers barely pieced out their minimum needs this spring. Production capacity is ample, but congested transportation during heavy grain movement season practically forbids advance deliveries of next spring's needs.

End of war in Europe is expected to bring a marked easing in fertilizers in 60 days.

Stocks currently on hand about equal to six weeks' supply.

★ ★ ★

Gasoline—An increase of 10 to 15 per cent in civilian gasoline supply is in prospect for third quarter, if two-war production rates can be maintained, but Office of Defense Transportation warns that restrictions on commercial truck mileage must be maintained for Pacific duration.

Gasoline released from European air operations gradually will be absorbed completely by expanded attack in Pacific. Meanwhile "A" rations likely will be increased temporarily by 25 per cent; and "B" maximum will be increased from present 300 to 500 miles per month where real business need can be demonstrated.

Rationing scheduled to continue through first half of '46.

★ ★ ★

Heating Oil—Rationing program will be continued through 1945-46 heating season, with no increase in allotments visible before January.

Lack of pipelines in western half of U. S. means a greater load on tank cars to move military petroleum to Pacific ports.

Best hope held out by Petroleum Administration is that civilian fuel oil supply can be maintained at 1944 level through the coming winter.

If Japan surrenders in third quarter, fuel oil will be slightly easier in peak heating months of first quarter of '46. But this is an "if" which does not yet figure in government plans.

★ ★ ★

Insecticides—Basic supplies of rotenone and nicotine are inadequate for increasing military requisitions from the Pacific. Civilian supply of sprays and insecticides will be spotty, even for minimum wartime needs.

Europe is crying for tremendous quantities of fumigants. Household insect powders have all but disappeared from the domestic market.

The new wonder product, DDT, is in increasing production, but still is in experimental development as regards most civilian applications.

Iron & Steel—Sharp cutbacks in shipbuilding programs, both for navy and merchant marine, indicate that the steel industry will be able to put production abreast of new orders by end of third quarter. As recently as early May, many steel mills still were booking rated new orders at 50 to 70 per cent above their capacity production level.

Civilian allocations probably will be controlled through fourth quarter, with autos, trucks and housing getting first whack at tonnage released by military cutbacks.

While basic steel picture has eased notably since V-E Day, all alloys and specialty items remain extremely tight. Bomb and rocket programs still are expanding.

Increased spot authorizations for resumed civilian production currently are bringing in new steel orders faster than military cutbacks release tonnage.

A broad resumption of civilian construction can't be anticipated before first quarter of '46.

★ ★ ★

Lead—Manpower problems have curtailed domestic lead production in the face of steadily increasing military demand, resulting in a tightening of federal controls as recently as last April.

Auto batteries for civilians have been curtailed further by new lead limitation orders. Germany's fall will reduce military requirements for lead by 25 per cent in 90 days.

★ ★ ★

Leather—Military purchases are taking approximately one-third of all available hides. Manpower shortage has reduced total shoe production, both military and civilian, from 42,200,000 pairs in March, 1944, to about 37,000,000 pairs this March. Military shoes require more than twice as much leather as civilian items.

Hide imports are declining because OPA ceilings are too low to compete in world bidding.

WPB is pressing shoe industry to develop pigskin models for civilians, with greater use of plastics in soles and heels on fabric uppers.

Improved shoe and leather supply should be forthcoming in three months.

★ ★ ★

Lumber—Now the most critical item in the whole industrial picture, lumber is the first bottleneck in both military and civilian programs for the last half of 1945.

Total requirements this year are estimated at 40,000,000,000 board feet, with available supplies indicated at 31,000,000,000 feet. This deficiency of 23 per cent in the supply-demand equation, compares with 18 per cent in the 1944 picture. Manpower and equipment, including heavy trucks for logging areas, are the limiting factors in production. Forest industries now are operating with about 110,000 fewer men than in 1942. WPB estimates that 95 per cent

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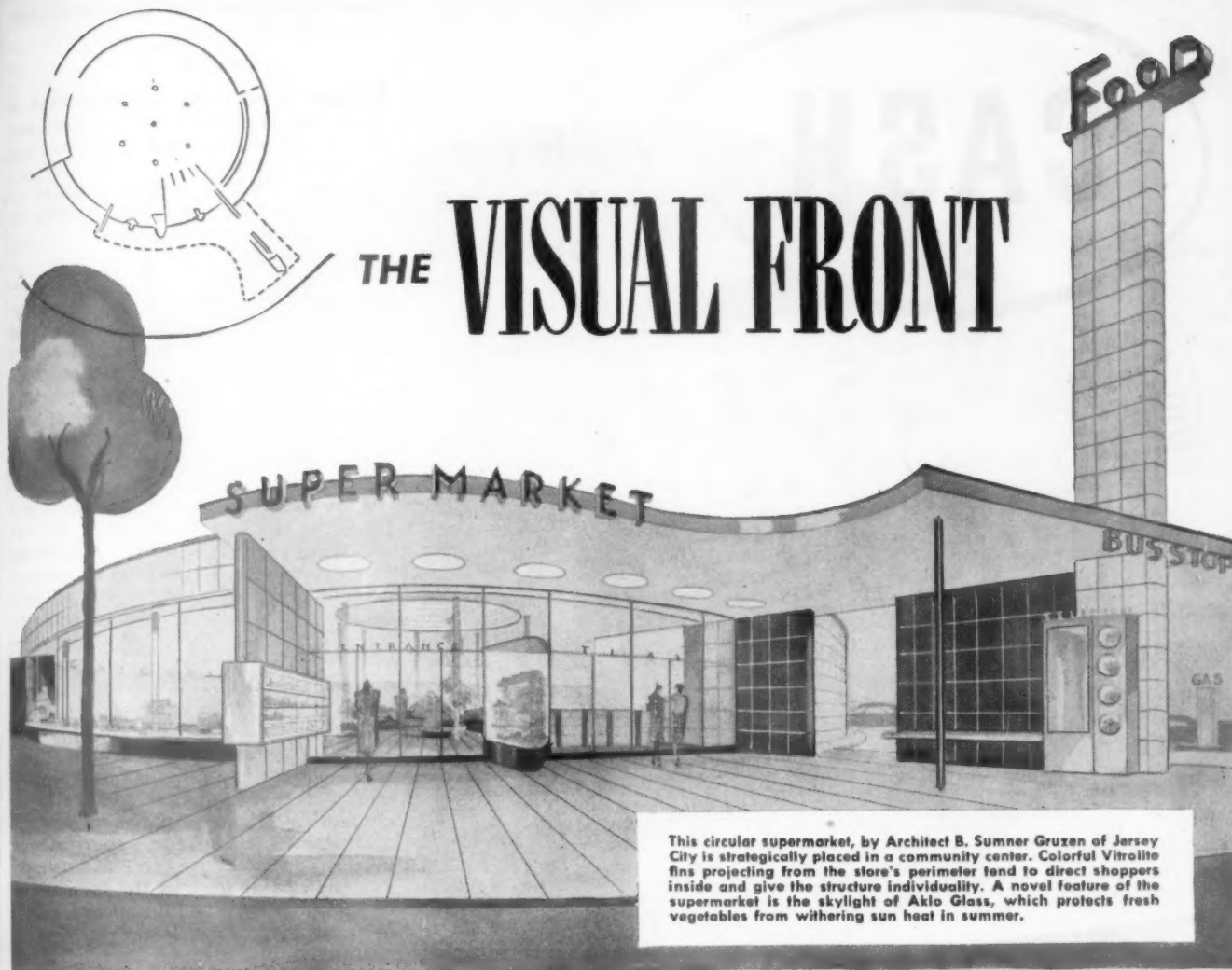
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This circular supermarket, by Architect B. Sumner Gruzen of Jersey City is strategically placed in a community center. Colorful Vitrolite fins projecting from the store's perimeter tend to direct shoppers inside and give the structure individuality. A novel feature of the supermarket is the skylight of Aklo Glass, which protects fresh vegetables from withering sun heat in summer.

Architect, B. Sumner Gruzen, Jersey City, N. J.

focuses attention where you want it

A Visual Front calls attention, not to itself, but *through* the clear glass front to the merchandise. It *compels* an interest in what's going on inside. It builds store traffic. And traffic builds sales.

The clear glass front floods the interior with daylight—its transparency permits a unity of color and design between exterior and interior. It wipes out the visual barrier between the inside and outside, making the store look inviting and easier to enter. The doors, too, can be transparent when made of Tuf-flex, the

L-O-F tempered glass of amazing strength.

Before you get to the pencil-and-paper stage of your next storefront, send for our book of suggested Visual Front designs. This book is packed with helpful ideas which you can use to build more sales punch into your next storefront. And for the right glass for every use, call on your L-O-F Distributor. Write to Libbey-Owens-Ford Glass Co., 7565 Nicholas Building, Toledo 3, Ohio, for your copy of "Visual Fronts".



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a Great Name in GLASS

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**ready for
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at once**

CLASS OF SERVICE
This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

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PRESIDENT

SYMBOLS
DL = Day Letter
NL = Night Letter
LC = Deferred Cable
NLT = Cable Night Letter
Ship Radiogram

**COPY OF WIRE SENT TO EXECUTIVES WHO
REPLIED TO OUR RECENT ADVERTISING...CAN WE HELP YOU?**

**NEW CONDITIONS MAY MAKE YOU NEED MORE CASH
THAN YOU CAN GET FROM PRESENT SOURCES.
WE'RE READY TO HELP YOU AT ONCE. IF YOU
NEED THOUSANDS OR MILLIONS QUICKLY, ANSWER
BY WESTERN UNION.**

COMMERCIAL CREDIT COMPANY

Not Restricted by outmoded thinking, rules and customs, Commercial Credit is ready to act immediately to help your business meet any situation that calls for more cash. Thousands or millions are available at once... to give your business more working capital... to reshape or modernize your plant... to expand your business or finance the purchase of another

... or to carry through any other logical business move. Under our Commercial Accounts Financing Plan you can use our money for as long as you need it... with no demand obligations hanging over your head. What's more, we will not interfere with your management or limit your operations in any way. For quick action, wire, write or phone the nearest office listed below.

Commercial Financing Divisions: Baltimore, New York, Chicago, Los Angeles, San Francisco, Portland, Ore.

COMMERCIAL CREDIT COMPANY

Capital and Surplus More than \$65,000,000

BALTIMORE 2, MD.

FINANCING OFFICES IN OVER 100 PRINCIPAL CITIES OF UNITED STATES AND CANADA

of all lumber now moves under its control order, L-335.

★ ★ ★

Nylon—Production is maintained at about the 1944 level, but military and export allocations under lend-lease still absorb 94 per cent.

Federal control agency predicts no silk or nylon yarn will be available for U. S. civilian uses this year.

★ ★ ★

Paints—Shortage of linseed oil still restricts civilian paints and coatings, but expected military cutbacks in last half of year will insure adequate maintenance supplies for restricted wartime demand. A general resumption of non-government construction, however, would bring a sharp pinch in paints, varnishes and lacquers.

This industry faces no reconversion problem, but has been forced by war shortages to many synthetic and substitute ingredients. Relaxation of military demand and release of surplus military inventories would supply civilian demand quickly.

Better flax crop this year promises adequate linseed oil for 1946.

★ ★ ★

Paper—Low inventories in all distribution channels, plus smaller deliveries of pulp, forecast a tighter picture in all civilian categories of paper products.

Military demand for paper cartons is increasing, because the Pacific supply line is twice as long as the former line to Europe. Paper building board also is in heavy demand by military.

Many mills already have reduced pulp inventories below the point which maintains steady operations.

Much depends on better receipts from waste paper campaign during third quarter. Project to assign 10,000 prisoners of war to pulp wood areas may help attain 1945 production program of 16,000,000 cords.

★ ★ ★

Penicillin—More than 3,000,000 vials have been released to normal trade channels during past three months, and U. S. production program calls for 250,000 vials monthly for civilian allocation through remainder of 1945. (Each vial carries 100,000 units.) Additional quantities are to be made available to industry for research and experimental work; and some producers have been authorized to sell part of their output for veterinary use.

Applications also are pending in the Foreign Economic Administration to ease export controls.

★ ★ ★

Radios & Parts—A few new sets may reach the market by the end of 1945, but Pacific war will keep most of this industry busy on military production through the third quarter. Replacement demand is estimated at almost three years' normal production. Extent of



Southern Exposure

It's a mighty fine view that our engineers get from the cabs of Southern Railway locomotives.

There's the fertile, sun-warmed, well-farmed soil of the Southland.

There are mines and mills and factories and forests, all keyed up for record-breaking war production...and with skilled workers ready and eager to make good things for a world at peace.

There are bustling towns and cities, growing rapidly with the busy South.

Indeed, it's a mighty fine view all along the Southern Railway System's eight thousand miles of road—a bright, hopeful, satisfying Southern exposure.

How about a Southern exposure for *your* business? Look Ahead—Look South!

Ernest E. Harris
President



SOUTHERN RAILWAY SYSTEM

The Southern Serves the South



DIESEL ENGINE *OK'd* FOR QUIET OPERATION

Some Diesel engines, like the one pictured above, fill a good sized room. To service this big Diesel, the operator must climb a ladder!

In spite of its size, the exhaust of this engine is quiet. The energetic exhaust is scientifically quieted with a Burgess Exhaust Snubber. The snubbing principle, developed by Burgess, snubs the fast-moving slugs of exhaust gas so that each slug is noiselessly dissipated upon reaching the atmosphere.

Burgess Snubbers are used everywhere in the Diesel engine field . . . in ships, locomotives, power stations, sewage disposal plants, oil drilling rigs, and in critical locations such as hospitals, hotels, and office buildings. Wherever noise cannot be tolerated, Burgess Exhaust Snubbers are specified. Catalog No. 454, describing Burgess Snubbers, will be mailed upon request.

THE SNUBBING PRINCIPLE



The chambers in the Snubber act like a series of thin blankets through which a golf ball is driven, gradually slowing down the fast-moving exhaust slugs so they leave the tail-pipe in a smooth, quiet flow.

If you want quiet Diesel operation — be sure your Diesels are Burgess Snubber-equipped. Burgess-Manning Company, Chicago, Illinois.

TYPICAL APPLICATION



32 Burgess Snubbers on 16 Diesel driven compressors at the Erath Cycling Plant, Erath, Louisiana. Burgess Snubbers are widely used on pumping, power, and compressor units in the oil fields.

BURGESS DIESEL EXHAUST SNUBBERS

military cutbacks in third quarter will govern outlook for new home radios.

★ ★ ★

Sugar—Outlook is for a continuing demand considerably exceeding U. S. supplies until second quarter of 1946. Japanese destruction of cane plantations and refineries in the Philippines has banished hope of new supplies from that quarter until late '46, at earliest. Sugar beet crop in Europe this year probably will not be half of prewar average. Insistent demand for relief shipments of sugar promises further cut in domestic rations for industrial uses and home canning this summer. Candy, ice cream, soft drinks and bakery sweet goods probably will be in smaller civilian supply over next six months.

★ ★ ★

Textiles—Despite ample stockpiles of raw cotton and wool, every civilian textile item continues short. Military orders are increasing.

Wool mills say they need 20,000 additional workers, and cotton weavers could use an equal number. Army is building great reserves in Europe for relief distribution.

WPB's effort to assist civilian clothing supply through compulsory textile production schedules under M-388 has run into serious administrative difficulties, probably must be abandoned.

Recent wage increases in cotton mills threaten operating margins under prevailing ceiling price, promising further reduction in cloth production.

Burlap is in easier supply following India's release of 100,000,000 bomb-shelter sand bags.

★ ★ ★

Tires—U. S. production of synthetic rubber now exceeds our tire manufacturing capacity under prevailing manpower conditions. There are sufficient tires for all military and lend-lease allocations, but no more in sight for civilian cars until 60 days from V-E Day.

Deferred demand for heavy-duty civilian truck tires will get top priority when military orders slack off.

Natural rubber stockpile is dangerously low.

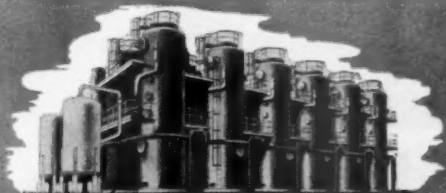
New tire factories still are coming into production every month, but workers to man them must be trained.

★ ★ ★

Tobacco—Abnormal war demand has made heavy inroads on cured reserves of cigarette tobacco. New crops for 1944 and 1945 are fully up to wartime needs, but two-year lag between field and manufacturing means short civilian supplies for at least another year.

Tremendous quantities of cigarettes in U. S. military stockpiles throughout Europe will be conserved for occupation forces within Germany.

Trade authorities predict normal cigarette distribution at home can't be expected until three months after end of Pacific operations.



UNION CARBIDE *AGAIN* REPORTS

on the production of

BUTADIENE

for the Government's Synthetic Rubber Program



ONE OF THE MOST IMPORTANT factors in the Government's rubber program is the production of GR-S type synthetic rubber.

The basic chemical in this rubber is Butadiene, which can be made from alcohol or hydrocarbon materials.

The Government's original plan provided that about one third of the required Butadiene would be made by CARBIDE AND CARBON CHEMICALS CORPORATION's alcohol process.

In 1943, their first year of operation, however, the plants using this process produced over 75 per cent of all Butadiene made for GR-S type synthetic rubber.

In 1944, the second year, these plants produced about 64 per cent of all Butadiene necessary for military and essential civilian rubber. This was true despite the fact that good progress had been made in the production of Butadiene by other processes.

THE RECORD

The first tank-car load of Butadiene was shipped from the Government's Carbide-built, Carbide-operated plant at Institute, West Virginia a little over two years ago.

This was just five months after the famous Baruch Committee Report pointed out this nation's desperate need for rubber—and approved Carbide's butadiene alcohol process, originally selected by Rubber Reserve Company, as one of the solutions.

In its first year the Institute plant, with a rated capacity of

80,000 tons per year, produced enough Butadiene for more than 90,000 long tons of synthetic rubber.

Two more great plants using Carbide's alcohol process—and built from the blueprints of the Institute plant—are in full production. One of these, with an annual rated capacity of 80,000 tons of Butadiene is located at Kobuta, Pennsylvania and is operated for the Government by another important chemical company.

The second, with a rated capacity of 60,000 tons a year, is operated for the Government by Carbide at Louisville, Kentucky—making the total rated capacity of the two huge plants now operated by Carbide 140,000 tons a year.

In 1944, the production of Butadiene from the three plants using the alcohol process totaled 361,000 tons—representing operation at over 164 per cent of rated capacity. An even higher rate is expected in 1945.

* * * * *

Before Pearl Harbor, the United States was a "have not" nation with respect to rubber. Now, thanks to American research, engineering and production skill, our country can take its place as a dominant factor among the great rubber producing nations of the world.



Business men, technicians, teachers, and others are invited to send for the book N-6 "Butadiene and Styrene for Buna S Synthetic Rubber from Grain Alcohol," which explains what these plants do, and what their place is in the Government's rubber program.

SEPTEMBER 10, 1942

"Of all the critical and strategic materials, rubber is the one which presents the greatest threat to the safety of our nation, and to the Allied Cause . . . We find the situation to be so dangerous that unless corrective measures are taken immediately the country will face both a military and a civilian collapse."

—Report of the Rubber Survey Committee (Baruch Committee).

AUGUST 31, 1944

"Undoubtedly the outstanding achievement of your company has been the development of your process for the production of Butadiene from alcohol. With a rather meager background of experimental work, your engineers were able to design and construct commercial units for the production of Butadiene. In an exceedingly short time, the operation of this equipment at capacities up to 200 per cent of rating has been largely responsible for our present safe situation with respect to rubber supplies . . ."

—Letter from Rubber Director Bradley Dewey to CARBIDE AND CARBON CHEMICALS CORPORATION

The material herein has been reviewed and passed by the Rubber Reserve Company, the Defense Plant Corporation, and the War Department.

BUY UNITED STATES WAR BONDS AND STAMPS

UNION CARBIDE AND CARBON CORPORATION

30 East 42nd Street **UNION** New York 17, N. Y.

Principal Units in the United States and their Products

ALLOYS AND METALS—Electro Metallurgical Company, Haynes Stellite Company, Kemet Laboratories Company, Inc., United States Vanadium Corporation
CHEMICALS—Carbide and Carbon Chemicals Corporation PLASTICS—Bakelite Corporation ELECTRODES, CARBONS & BATTERIES—National Carbon Company, Inc.
INDUSTRIAL GASES AND CARBIDE—The Linde Air Products Company, The Oxweld Railroad Service Company, The Frost-O-Line Company, Inc.

EXPORT MANAGEMENT

For the small manufacturer, one key to foreign trade is to find a dependable export manager and to put the problem in his hands



Small Business Can Export, Too

By JOHN JAY DALY

AN ECONOMIC adviser recently analyzed postwar foreign trade trends for a group of export managers in New York City. After reeling off several lists of figures, he let out a long breath, threw up his hands and exploded:

"Whew! These are fantastic estimates. I wish I could believe them!"

Believe them or not, estimates of export business after the war have awakened a new interest in foreign trade. In various countries \$20,000,000,000 are waiting to be spent when the war ends. People in Algeria, Istanbul, Sydney, Nairobi, Johannesburg and other places have already drafted tentative orders for such things as:

- Air-conditioning equipment
- Batteries, battery chargers, self-vulcanizing hot patches
- Bicycles, motor cycles
- Binoculars
- Cameras and accessories
- Coal stokers, pumps, valves, chain hoists
- Earth-moving equipment
- Electric fans, ironers, toasters, coffee makers—all kinds of household appliances
- Furnaces, radiators—everything used in central heating
- Insulated wires and flexible cords
- Machine tools and machinery of all kinds
- Phonographs—hand and electric
- Plastics, resins, glue

NEW world markets are opening up for American products. If you're a manufacturer, you probably turn out something which can be sold abroad—and this article tells how

Tools—large and small—for engineering and building trades
Watches
Writing paper, newsprint, packing paper

... and so on. This list of wants could be continued almost indefinitely.

Through our armed forces, lend-lease, economic warfare activities and commercial relations, American products have been introduced into new areas almost everywhere. As a result, people who never saw a can opener—or a can, for that matter—now want can openers. Housewives who hitherto knew nothing of labor-saving devices are now prospective customers for gadgets costing anywhere from a dime to a dollar.

As developers of these new markets, Americans are in position to hold them. American factories—neither shelled nor bombed—have reached their highest peak of efficiency, our supply of skilled labor has increased, our international and financial positions are exceedingly strong. The dollar is the most sought after piece of currency in the world.

As R. H. Patchin, vice president of W. R. Grace & Co., recently told members of the Export Managers Club of New York:

"The dollar today is the freest, strongest currency in the world. America is the only country not subjected to exchange controls. The United States does not control dollar exchange in this country or anywhere else. All nations are acquiring as many dollars as they can."

These dollar balances are calling to America, and American business men are listening to the call. Even manufacturers who seldom look beyond the borders of their own states are thinking in international terms.

Nor are all the thinkers in large firms. The waiting markets are so various and the needs so great that almost anyone in America with a product to sell should be able to get in on them. There is no lack of precedents.

One of the biggest small businesses in America was built on foreign trade. This



Don't try it this way!

No need to draft your wife's bridge club into the preparation of payroll checks!

If you want a payroll method that will —

Shorten the time it takes to write checks and get them to your employees

Cut down the cost per check

Reduce to a minimum the number of payroll operations required

Simply call your nearest Comptometer Co. representative and ask for details on the Comptometer Check-and-Payroll Plan. He'll be happy to explain this quick,

efficient and economical method — at no charge to you.

The Comptometer, made only by Felt & Tarrant Manufacturing Company, 1712 North Paulina St., Chicago 22, Ill., is sold exclusively by the Comptometer Co.

COMPTOMETER

ADDING-CALCULATING MACHINES AND METHODS

REG. U. S. PAT. OFF.

R.W. RYER & SON

HOW THE WORLD'S LARGEST, FASTEST, TWIN-ENGINE TRANSPORT

*Counts
its Calories*



Bowser XACTO Meters Precision- Check Fuel Flow and Consumption for Today's Great Lifeline, Tomorrow's Great Airliner

Three-fourths of the vital war supplies, flown over the towering Himalayas into China, have been transported in Curtiss Commandos.

With lives hanging in the balance and battle winning cargos to be delivered, Curtiss-Wright selected Xacto meters for testing the fuel flow and consumption of the Commando with split second accuracy.

While possibly not involving lives or battles, chances are your liquid control problems do involve costs, production and profits...call for precision-measurement and control. Why not consult a Bowser Liquid Control Specialist. No obligation. BOWSER, INC., Dept. 37-F, Fort Wayne 2, Indiana.



The Bowser XACTO Meter Installation
In The Curtiss Commando

BOWSER

SINCE 1885
THE NAME THAT MEANS EXACT CONTROL OF LIQUIDS



Not only has Bowser's war production earned the Army-Navy E... Bowser equipment has helped earn it for scores of other companies

firm, in New England, introduced the machete to ports of call where the natives like good, sharp knives. The machete, an implement with numerous uses, is also prized as a weapon by natives of the tropical Americas. Last year more than 5,000,000 machetes were sold in foreign trade. After the war that business will be stepped up.

Down in Hampton, Va.—called Crabtown by the natives—a world-wide business was built up by the simple process of canning the blue-shell crab of Chesapeake Bay. When the process for canning was perfected there was a demand for crab meat all around the world. The Japs then came up with a similar canning process, substituted a crab caught off the Aleutians and almost ruined the American business; but now that the Japs are out of business, and will be for some time, the Hampton firm hopes to get back all this trade—and more.

Mushrooms go abroad

IT'S about the same with mushrooms of Kennett Square, Philadelphia. They have replaced mushrooms out of Holland and other countries. Especially are they popular on the tables of Rio de Janeiro. What amounts now to a formidable foreign trade started in a freak way. Farmers around Kennett Square used to keep their hogs in the basements of barns. One year an epidemic of cholera wiped out the porkers. Someone thought the damp cellars would make good places to grow mushrooms. One man experimented, others carried through. Today the mushrooms of Kennett Square are known wherever gourmets gather.

Or herbs. Since the great herb gardens of France were disrupted by the German invaders, French chefs the world over have looked to American herb-growers to provide particular favorites. Herb gardens in New Jersey and Maryland and several other states stand ready to supply the world market. More gardens being planted—and the prices are handsome.

In recent months, an American company developed a paint for protective coating. A foreign market was sought and found. Company officials did not know that the export of paint as a finished product is limited because of tariffs. There is, however, no limitation on the export of raw materials. After consultation with export authorities the new business was set up in this way:

All the firms that make the materials going into this paint were organized into a group. In this cooperative group were the manufacturers of pigments, plastics and solvents. In the group also were those who made the diluent agents. Also, the makers of resin and of spray guns.

After this step, the firm abroad that wanted the paint and could not get it because of tariff barriers, was put in business as an independent paint manufacturer. This company was supplied with all the ingredients, given the formula, and, under expert supervision,

taught how to mix the paint. Thus a new business enterprise, controlled by Americans, was started in a foreign country. This happened in India.

This sort of operation will take on greater proportions after the war. Getting the groups together is usually handled by what is known in the trade as a combination export manager. There is a difference between a combination export manager and an export manager. Both are guiding geniuses of export trade, but they work in different ways—and for different people.

Exporting on commission

ALMOST every big concern in the country has an export manager if only to sell the overflow to other countries. Smaller businesses hire export managers on a commission basis—usually ten per cent.

Export managers—combination or otherwise—are hired for their ability to make sales abroad. Technicians all, these men guide foreign buyers into the American market and thus help American manufacturers place goods abroad. Export managers work under the slogan, "The greater the sales the greater the commission." It is their function to develop business.

Anything that has a foreign sales possibility is meat to the export manager—even to the sauces that go on meats. That is why a meat sauce made in Hartford, Conn., as a by-product of a hotel business, is today a world-known article. The same thing happened with a sauce made down in Texas. The Barbecue King, known for the excellent way he barbecued beef, concocted a sauce for meats that rivalled the best-known on the market. It was brought to a barbecue staged on the Potomac River and attended by statesmen and diplomats. These people liked the sauce so much they requested that some be sent to their homes. In this way it got to foreign shores and ultimately found a market all over the world. It took an export manager, naturally, with his special knowledge of distribution and advertising, to turn the trick.

Once an export manager—or a combination export manager—is found, the problem is simplified; because he knows how to wrestle with your export problem, and takes most of the responsibility.

The export manager develops contacts abroad, gets export licenses, makes through export declarations, sees that banking terms are satisfactory, suggests the kind of packaging necessary, attends to the insurance, makes all the shipping arrangements and sometimes even suggests a competitive price. He insists upon the quality of the goods being up to standard, for shoddy goods have destroyed more sales abroad than any other factor, export managers report.

The combination export manager is always in the market for ideas. What can be done by tying-in makers of solvents with manufacturers of pigments

Mass-produced by **CHEVROLET**

**14- AND 18-CYLINDER
AIRCRAFT ENGINES
FOR MANY OF AMERICA'S
MIGHTIEST WARPLANES**



**THE "R-2800" . . .
18 CYLINDERS—
OVER 2100 HORSEPOWER . . .
BUILT IN VOLUME FOR VICTORY**

Here is the latest model of the Pratt & Whitney "R-2800" aircraft engine, mass-produced by Chevrolet. It is the most powerful model of this famous series of aviation power plants. In all, as of this date, Chevrolet has produced more than 60,000 Pratt & Whitney 14- and 18-cylinder aircraft engines—powered many of America's most famous fighters, bombers and cargo planes—and will continue to build Volume for Victory until the war is definitely and conclusively won.



**BUY MORE
WAR BONDS**

CHEVROLET DIVISION OF GENERAL MOTORS

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FACT OR FICTION? A QUICK QUIZ ON PORTLAND'S PROGRESS



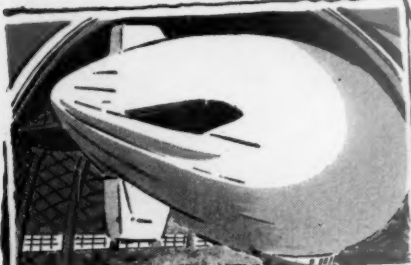
1 SUPER-GIGANTIC SCULPTURES CHISELED IN MT. HOOD WILL USE UP \$60,000,000 MEMORIAL FUND RAISED BY CITIZENS OF PORTLAND, OREGON. **FACT OR FICTION?**



2 RUSSIAN LOCOMOTIVES BY THE HUNDREDS ADD TO THE BOOMING TRAFFIC IN PORTLAND'S FREIGHT YARDS. **FACT OR FICTION?**



3 MOUNTAINS OF ROSES SEEN IN PORTLAND'S ANNUAL ROSE FESTIVAL HAVE BUILT THE FAME OF THE CITY'S SWAN ISLAND. **FACT OR FICTION?**



4 BLIMP HANGARS 1000 FEET LONG AND AS HIGH AS A 20-STORY BUILDING HAVE SUPPORTING ARCHES BUILT IN PORTLAND ENTIRELY OF WOOD! **FACT OR FICTION?**



5 LEWIS AND CLARK, ILLUSTRIOUS HEROES OF OREGON'S HISTORY, TRAVELED MUCH OF THE WAY VIA THE "MAIN STREET OF THE NORTHWEST." **FACT OR FICTION?**

COMMEMORATING
THE 140TH
ANNIVERSARY
OF THE
LEWIS AND CLARK
EXPEDITION

CHECK YOUR ANSWERS HERE:

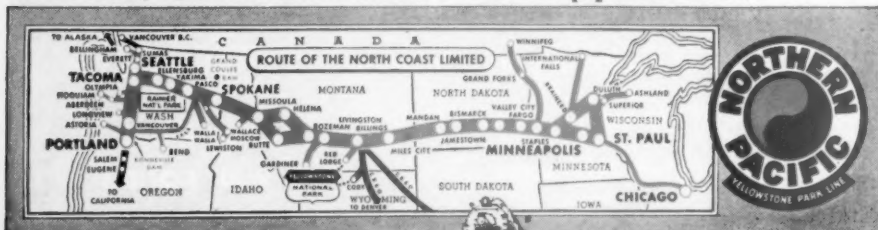
1. Fiction. To serve the living, Portland has already appropriated the first \$24,000,000 of a \$60,000,000 postwar building fund. The blueprints call for building of a new sewage system—port improvements—broad and beautiful thoroughfares—parks—playgrounds—bridges—a civic center. Thus, through its far-famed Moses Plan, Portland will make good jobs in a lovely city for returning veterans and former war workers.

2. Fact. These snub-nosed engines, and much other Russian railroad equipment, are part of U. S. Lend-Lease supplies to the U.S.S.R. Although located 100 miles inland, Portland is one of the nation's great seaports, and the No. 1 shipping point for Russian Lend-Lease. Thousands of tons arrive at the city's docks via Northern Pacific.

3. Fiction. These two great civic assets are separate and distinct. The Rose Festival is a gala summer carnival, while Swan Island is home of one of six shipyards in the Portland-Vancouver area, which have launched more than 1,000 wartime ships. N. P. service brings trainloads of materials and prefabricated parts to west coast shipbuilders.

4. Fact. It's one of many amazing uses for timber developed by Portland industries. Timber arches, trusses and beams shipped out via N. P. now support many of the hugest war-built structures in America.

5. Fact. The present N. P. route follows the explorers' trail for many miles. Now, the route is called "Main Street of the Northwest" because it links the largest number of Northwest population centers.



NORTHERN PACIFIC
Main Street of the Northwest

and resins can be done in the building trades, too. Export managers even now are getting together makers of wall-board, hardware, tools, plumbing, heavy bulk stuff of all sorts, to send this material abroad for the rebuilding of Europe after the war. The idea is to send the prefabricated material over, neatly numbered, and set up the houses upon arrival. This is said to be one of the choice projects for after-the-war trade.

If machines are wanted that cannot be shipped complete into a foreign land, the combination export managers get the part makers together, ship the pieces separately, and have the machines assembled in the foreign country.

Foreign buyers apparently like these combination arrangements. Export commission houses in New York are even now getting orders from groups of merchants abroad who want to consolidate their purchases from United States manufacturers and thus get the benefits of bulk buying, discounts on heavy orders. Some of the large firms in New York are now operating somewhat along the lines of export department stores. They take on a line of goods and even have their own foreign offices.

How to crack the ice

THE question that stumps most small business men eager to get into foreign trade is: "How do I go about it?"

The easiest approach to a difficult problem is for them to get in touch with an export house that handles their particular line. These export houses include—in addition to the export commission houses—manufacturers' export agents and export merchants. Over the years, the export houses have given satisfaction to many small producers. There is a complete list of such houses at the Bureau of Foreign and Domestic Commerce, in the U. S. Department of Commerce, Washington, D. C.

The manufacturers' export agent acts as a selling agent for the exporting manufacturer and does a selling job, usually working on a commission basis and leaving the financing of the order to the manufacturer.

The export merchant assumes credit risks and buys and sells for his own account and not for the account of the manufacturer.

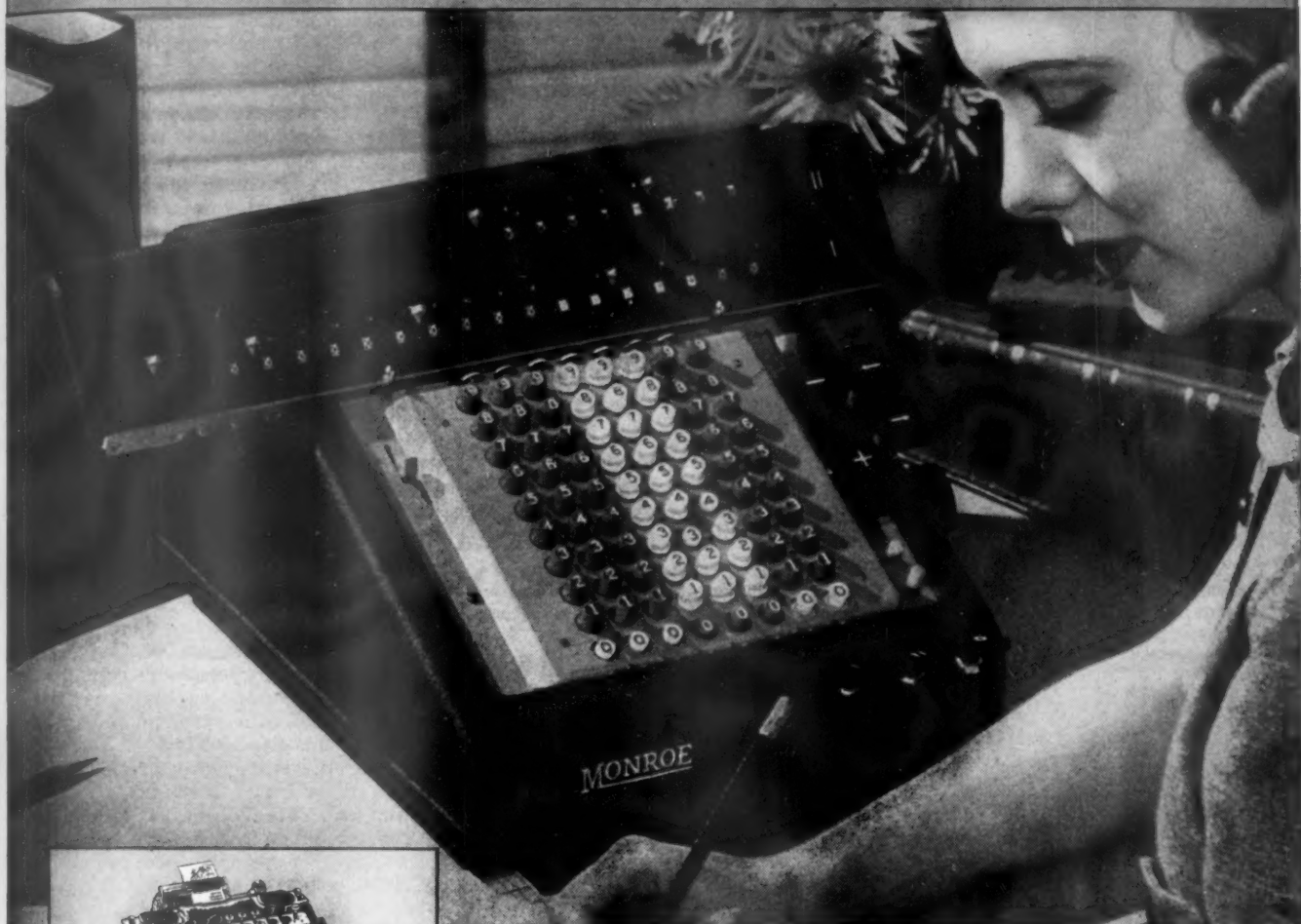
Information and guidance in financing, credit and collection procedure is available through the banks. Your local bank can get in touch with its correspondent having foreign trade information facilities if it does not have such facilities itself.

Names of export houses, including combination export managers, appear in trade directories, membership lists of export organizations, and are available from trade associations, chambers of commerce and foreign trade journals.

Valuable aid is available also through local chambers of commerce having foreign trade bureaus, and through the field offices of the Bureau of Foreign and Domestic Commerce, as well as from

MONROE

CALCULATING • LISTING • ACCOUNTING MACHINES



Monroe Adding-Calculator MA-7-W



Monroe Adding-Listing Machine
209-11-092



Monroe Accounting Machine
209-685-191

MONROE makes a line of machines so extensive and offers a service so complete that any business can be Monroe-equipped for today's vital figuring and accounting needs.

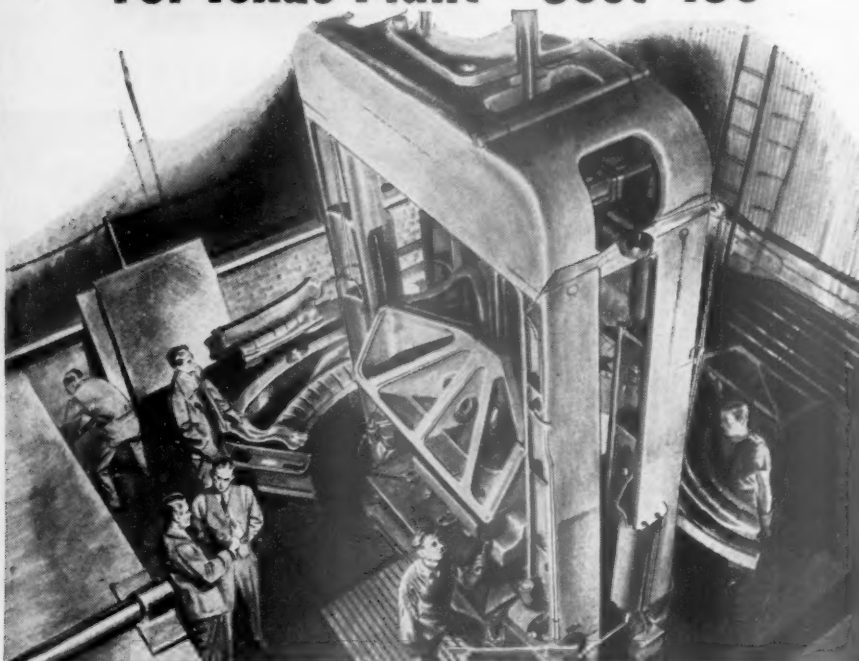
Every Monroe machine is notable for its simplicity of operation—because it is engineered with the operator in mind. “Velvet Touch” ease of action, for example, first developed in the Monroe Adding-Calculator, is a basic feature of every Monroe machine. It is just one reason why Monroes turn out a maximum volume of work, with a minimum of strain on the operator.

Monroe Accounting and Listing Machines are outstanding examples of modern engineering in every functional detail. From the design of the keyboard to the many other unique operating advantages, every feature is planned for streamlined efficiency, speed, and simplicity you may not have thought possible.

Monroes are built for long, economical service. To keep them at their best, Monroe maintenance service is available through Monroe-owned offices in all principal cities. Get in touch with your nearest Monroe Branch. Ask for a copy of the Monroe Simplified Payroll Plan. Or write to . . .

Monroe Calculating Machine Company, Inc., Orange, N. J.

Air Express Saves \$2,000 For Texas Plant — Cost \$180



2 P.M. TUESDAY—Drop-hammer press breaks down in Texas war plant. Nearest replacement part is in the East, over three normal shipping days away. To avoid costly shutdown, the manager telephones for a new part via Air Express, even though the part weighs 250 pounds.



7 A.M. WEDNESDAY — Replacement part lands at Texas airport. Air Express charges were \$180. But manager figures a saving to the plant of three precious production days and a saving of \$2,000 in overhead by avoiding a shutdown.



FIGURE IT OUT yourself. How much would it cost you per day if your business — or a part of it — came to a standstill for lack of essential parts or material? Remember, the nation's inventory is within hours of your door, via Air Express.

Specify Air Express — Low Cost for High Speed

25 lbs., for instance, travels more than 500 miles for \$4.38, more than 1,000 miles for \$8.75, more than 2,000 miles for \$17.50, at a speed of three miles a minute — with cost including special pick-up and delivery in all U. S. cities and principal towns. Same-day delivery between many airport towns and cities. Rapid air-rail service to 23,000 off-airline points in the United States. Direct service to scores of foreign countries.



GETS THERE FIRST

Write Today for "Quizzical Quizz," a booklet packed with facts that will help you solve many a shipping problem. Railway Express Agency, Air Express Division, 230 Park Avenue, New York 17. Or ask for it at any Airline or Express office.

Phone RAILWAY EXPRESS AGENCY, AIR EXPRESS DIVISION
Representing the AIRLINES of the United States

the Bureau's Washington headquarters, export clubs and export service organizations.

There are a number of foreign government purchasing agencies in this country. Lists of these may be obtained from the Bureau of Foreign and Domestic Commerce, Washington, D. C. The Foreign Commerce Department of the National Chamber of Commerce will help manufacturers obtain foreign trade information they require.

There are many angles to foreign trade. It might be that procurement assistance from the War Production Board is vital. Tariffs must be known, studied. Even political trends in most countries must be noted. There may be import permits and exchange permits. Then, an exportation application filed with the Foreign Economic Administration. Some materials for several areas are under general license which means no license required; but most general commercial material must be channeled through FEA. After shipping and delivery instructions, an export declaration then must be filed with the United States Customs at the port of exit.

Help with changing rules

FOREIGN freight forwarders located at the port cities enable the individual small foreign trader to cope with changing rules and regulations of export license control and other wartime export controls, ocean shipping space and the various details mentioned. An experienced freight forwarder is equipped to give valuable aid in packing, marine insurance and other transportation and documentation problems.

After the war, many of the present regulations on foreign trade may be rescinded. This will make the life of an exporter much more simple, but not completely a paradise; because as A. E. Cripps, export manager for a big Mid-Western concern, says:

"There are a lot of pitfalls and some smart fellows on the other side, too. Obviously, there are dangers in the general world situation and no room for starry-eyed stuff."

One of the obvious dangers, of course, is that someone in a foreign country may accept an order of goods and refuse to pay for it, but this danger is actually slight. A poll taken at a recent meeting of export managers in New York showed that such losses last year were only 1.5 per cent of the volume shipped.

Mr. Cripps' advice to the average small business man about to go into the field is:

"Don't let some little guy run the business. If you do, get an export manager, give him a free rein; or, get a combination export manager and a good forwarder."

A further warning is sounded by Josiah B. Thomas, advertising director for the international editions of *Reader's Digest*:

"There has been too much ballyhoo about postwar exports."

In Mr. Thomas' opinion, most of the

old world countries are not going to waste dollar exchange immediately after the war in buying manufactured products unless they absolutely have to. They will use it to buy raw materials and industrial machinery.

For those who have the patience to wait, however, the market will eventually be there. Even then no one should try for 100 per cent sales abroad. And the manufacturers should not treat foreign trade as an incidental business or as a stepchild.

The small manufacturer may step up his volume from ten to 20 per cent if his product is properly handled. That is what the experts say, and they demonstrate with the story of the cigarette holder, using one cigarette to filter the smoke of another, which swept the country some years ago. When the American sales died down, a good export manager sent the item abroad and regained the lost volume.

Although problems confronting the foreign trader are not so serious as to discourage, they are serious enough to require careful study and analysis and extreme care in handling of details. Exporting manufacturers should make a study of the foreign markets on their own account so that they will know that their product is receiving the proper sales attention. There is no mystery about foreign trading; the royal road to foreign trade success is paved with hard work.



Machine for Change

Better business for those vending machines which may flourish again in peace is promised by a small coin changer which gives nickels when a dime or quarter is inserted, and is scheduled for production in the future.

The coin changer was developed by the Vendo Company, Kansas City, before the war although improvements in plans have been made while the company has been working on war goods.

This **RUST** Prevention Program

may save you

\$10,000 too!

**Manufacturer salvages
12,000 Ballistic Dies . . .
protects further production
with ANTI-CORRODE**

A complete plant rust-prevention program is certain to insure operating economy and accelerate production. Backed by a complete line of tested Anti-Corrodes for every industry, Cities Service engineers are prepared to study *your* rust problems and recommend a specific plan to eliminate them.

Here's an Example . . .

A Bloomfield, N. J., manufacturer of ballistic dies had a costly problem. After partial completion, his dies were boxed, then shipped to another plant for final treatment. The dies invariably rusted so badly during return transit that they actually would stick together. 12,000 in this condition had accumulated in the plant, representing an investment *in labor alone* of eight to ten thousand dollars.

Cities Service engineers were called in. They supplied a product to clean the defective dies quickly . . . specified a special grade of Cities Service Anti-Corrode to protect them in storage. Three months later the dies were accepted for completion by the final processor. All dies thereafter were immediately dipped in this Anti-Corrode. The rust problem was licked.

See what Cities Service can do for you. Call in our engineers now. Contact your local Cities Service office or mail this coupon.



ANNUAL RUST TOLL CONSERVATIVELY ESTIMATED AT \$100,000,000 . . . Best safeguard for *your* equipment is a carefully planned and followed Rust-Prevention program.

ANTI-CORRODE

**safeguard
for Industry**



Cities Service Oil Company
Room 341, 70 Pine Street, New York 5, N. Y.

Gentlemen: Please have your engineers discuss with me a program of rust-prevention for our plant. (No obligation, of course.)

Name..

Title.. Company

Address..

City.. State..

Lighting Up the Black Market

(Continued from page 27)

have been effectively sold to the public. At first, the motorist was told that gasoline rationing was intended to prevent him from wearing out his tires before the rubber program could catch up to his needs. Subsequently, he was told that the armed forces needed all the gasoline we could ship them and, for a while, these needs could not be safely gauged because so many tankers were being torpedoed.

At first, however puzzled, the motorist complied. Then he began to notice that synthetic tires were appearing, Nazi submarines were becoming conspicuously absent from the shipping lanes, and daily sorties of 2,000 or more planes put no apparent strain on home front gasoline tanks.

Americans are not accustomed to blind obedience to governmental edicts. They have to be told why, and what's more, they have to be convinced. Wash-

lation and itched to be spent. Standards of living rose, tastes grew richer. But there were fewer things to buy.

Housewives who had spent the first five or ten years of their married lives without engagement rings became the jeweler's best customers. Jewelry became a \$1,000,000,000 business. It was a frugal woman who did not satisfy a long-felt desire for a fur coat. Life even became more richly scented—at \$25 or so per ounce.

Slums ceased to pose problems, because they became untenanted. More than 12,000,000 men and women went into the armed forces, but in city and town housing shortages developed.

This is at least a partial background of the so-called black market. There are other details to add.

Back in the spring of '42, the President's emergency order was supposed to curb inflation. A freeze was placed on prices, but the costs of living rose.



Rather than report her butcher and cut herself off from her only source of meat, many a housewife has put away her vigilante badge

ington exhorted and scolded, it warned and upbraided, but it didn't explain coherently, consistently or convincingly.

Something else was happening. The average pay envelope grew fatter. War jobs pay better than peacetime jobs. Employment figures hit all-time highs. Billions of new dollars went into circu-

We know why now, and we did then. The order tried to halt price spiraling at the point of sale rather than at the source. There was no freeze on wages until the Little Steel formula was adopted. By then it was too late.

In many industries, wage scales are determined by the goods in process. The

operator in a \$2 wash dress factory does better when her boss moves on to \$5 dresses. She needs no wage increase to improve her lot. She enjoys a proportionately higher wage scale without an "increase."

The diaper factory that turns to babies' shirts made of the same material also moves into a higher product price bracket, and its operators go along. The transition is hastened when OPA puts a ceiling on diapers that prevents the manufacturer from recovering his costs.

High taxes make high costs

MULTIPLY these conditions often enough and inflated purchasing power gets a firm foothold on the nation's economy.

Even this, however, isn't the complete answer to the riddle of any of the black markets. For the final key to the jig saw, look to personal and corporate taxes.

Put a business in a tax bracket in which it must pay 95 per cent of its net earnings to the Treasury, and it ceases to be expense conscious.

You may have seen advertisements in suburban communities which appealed for domestics to attend to household chores at \$50 a week, Saturdays and Sundays off, use of the station wagon thrown in, and for a clincher, the privilege of wearing the madam's mink coat on special occasions.

The story goes that some of these domestics are driven into the city once a week to dust off the boss's chair. That chore, he thinks, entitles him to put the domestic on the firm's pay roll.

"What's the difference?" he asks nobody in particular. "It only costs me a few dollars a week because I'm in the 90 per cent tax bracket."

Legitimate dealers in rationed commodities are stymied by price ceilings that put them on a profit-and-loss basis. A fellow named Joe comes along and offers to pay them cash, and plenty of cash, for the commodity in question.

"It's strictly a cash transaction," he tells the tempted dealer. So, it has been known to happen, the dealer takes Joe's cash, and sleeps that night untroubled by nightmares about price ceilings that are crowding him out of legitimate business.

Joe has tempted him with another thought. Unrecorded transactions are no concern of the Internal Revenue Department. Our fallen friend awakes in the morning to find that he is in possession of so many thousands of dollars, and what will he do with them?

He can't buy securities without leaving a tell-tale record to be explained a later day. Real estate beckons. After all, he always wanted to own a nice home and high rent is an added spur. So, he calls up the agent or the owner to talk business.

Real estate prices also have risen, as he knows, but he is surprised to discover how high. The seller consoles him. He, too, isn't eager to take a substan-

No wage is "too high" *that is earned!*

WHAT OF THE wages of the future? This question is bound to come up in any discussion of post-war planning.

On this, our attitude is clear. No wages are high that are earned. Fifty dollars a day *earned* is none too high. But a dollar a day *unearned* is much too high.

More Productive Methods

Wages are a part of the product. They are not the result of the employer's generosity, nor the employee's ability to bring pressure to bear.

American Industry has continuously developed methods whereby a man receives more pay for fewer hours but still increases production. And so it will continue to be.

But wages are only one of Industry's problems.

A Better World Must Come

Millions of young men and women have been withdrawn from their homes and careers. Business is shorthanded. Many industries have been seriously disrupted. Public debt and the casualty lists mount higher every hour.

Victory, therefore, is the greatest concern of everybody. After Victory, all of us must strive to build a better world . . . a world in which such misfortune can never happen again.

Material things . . . radar and plastics and television and giant planes . . . will contribute

much toward building a better and stronger American people. But these alone are not enough.

Confidence is the first need . . . confidence that work brings reward. Such confidence cultivated in a people generates enterprise and effort.

Industry, being part of the people, responds to the same stimulus . . . and is ready to initiate and work and invest all for the treasure of life in America.

Youth Must Have Opportunity

The way must be kept clear for independence in business . . . and for young men to start new businesses. Vigorous competition and initiative have carried our country safely and far.

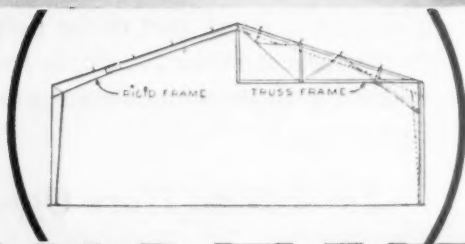
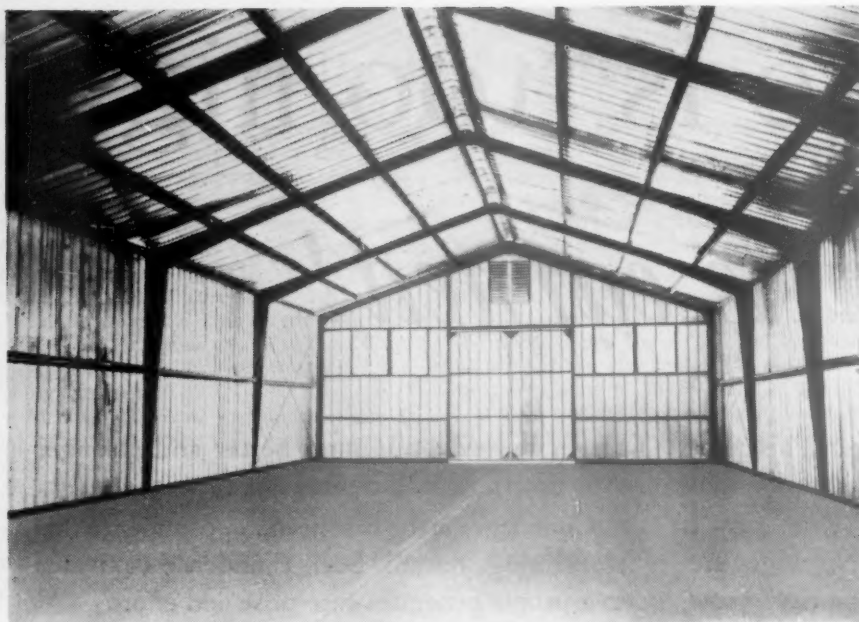
American business is not performing its complete function unless it makes available to every family traditional American standards of living. American business also must serve social order and social advance. There is little room for racial or religious prejudice or class distinction when a country is alive with energy and is working.

These are some of the thoughts we hold as we look toward the day when wages will again be earned by building the goods of peace.

Henry Ford
Henry Ford :

This message was released
recently for publication in
every daily newspaper in the
United States.

FORD MOTOR COMPANY



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Check off for planned and future industrial buildings the many advantages made available by the simplified design of Butler Rigid Frame (trussless) Steel Buildings. Product of wartime emergencies and problems, they represent one of the greatest improvements in industrial steel building design in many years.

Even before construction begins, these buildings represent economies in—

- Savings of steel...
- Compactness in transportation...
- Reduction in shipping costs and space...
- Complete mobility...

In construction they provide—

- Simplicity of assembly...
- Reduction in building height without sacrifice of interior cubage...

Great strength in relation to weight...

Functional efficiency is vastly improved because trussless buildings—

- Allow more room for overhead trackage and chain hoists...
- Reduce interference with ventilating and heat ducts, piping, etc....
- Permit higher and larger interior structures...

Comparison of the Rigid Frame and conventional truss design in the drawing above confirm these advantages. Information on Butler Rigid Frame Steel Building construction is available for engineering study.

Address all inquiries to: 7456 East 13th St., Kansas City 3, Missouri, or 956 Sixth Ave. S. E., Minneapolis 14, Minnesota.

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GRAIN BINS... FARM EQUIPMENT and PRODUCTS OF OTHER METALS

tial profit on the property because of the capital gains tax.

Wouldn't it be better for both parties, stage whispers the seller, to put a nominal price on the house and let the cash bonus be a confidential matter between them? Of course it would, acknowledges the buyer. In that way, a house bought at \$25,000 becomes a recorded transaction involving \$15,000. What happens to the hidden bonus? At present, there is a land boom on. Many a discreetly accepted dollar is embedded in acres bought at fabulous prices on the assumption that postwar buildings will make them acres of diamonds.

Scarce goods on a new market

THERE'S a fine and somewhat indistinguishable line between black market and profiteering. In the ordinary sense, a black market results from scarcity. Yet, as any adult American must be aware, there is no apparent scarcity of choice cuts of meat, or gasoline or cigarettes, if one is willing to pay the prevailing market price.

When the smoke of this war, and the war agencies, has cleared, we may discover that regulations succeeded largely in driving the most wanted commodities from regular to highly irregular channels of trade.

One afternoon not long ago in a large eastern city, you might have seen a small delivery truck drawn up before a store, and a man chiefly distinguishable by a furtive look, jump out of the driver's seat. That was Sam. Under his arm was a package that seemed to contain cigarettes.

Perhaps you bided your time and went back into the store. Ignoring the sign-card that advised customers the store had no cigarettes today, you asked, "Well, did you get some cigarettes?"

"No," may have been the reply, "because we won't pay \$2 a carton."

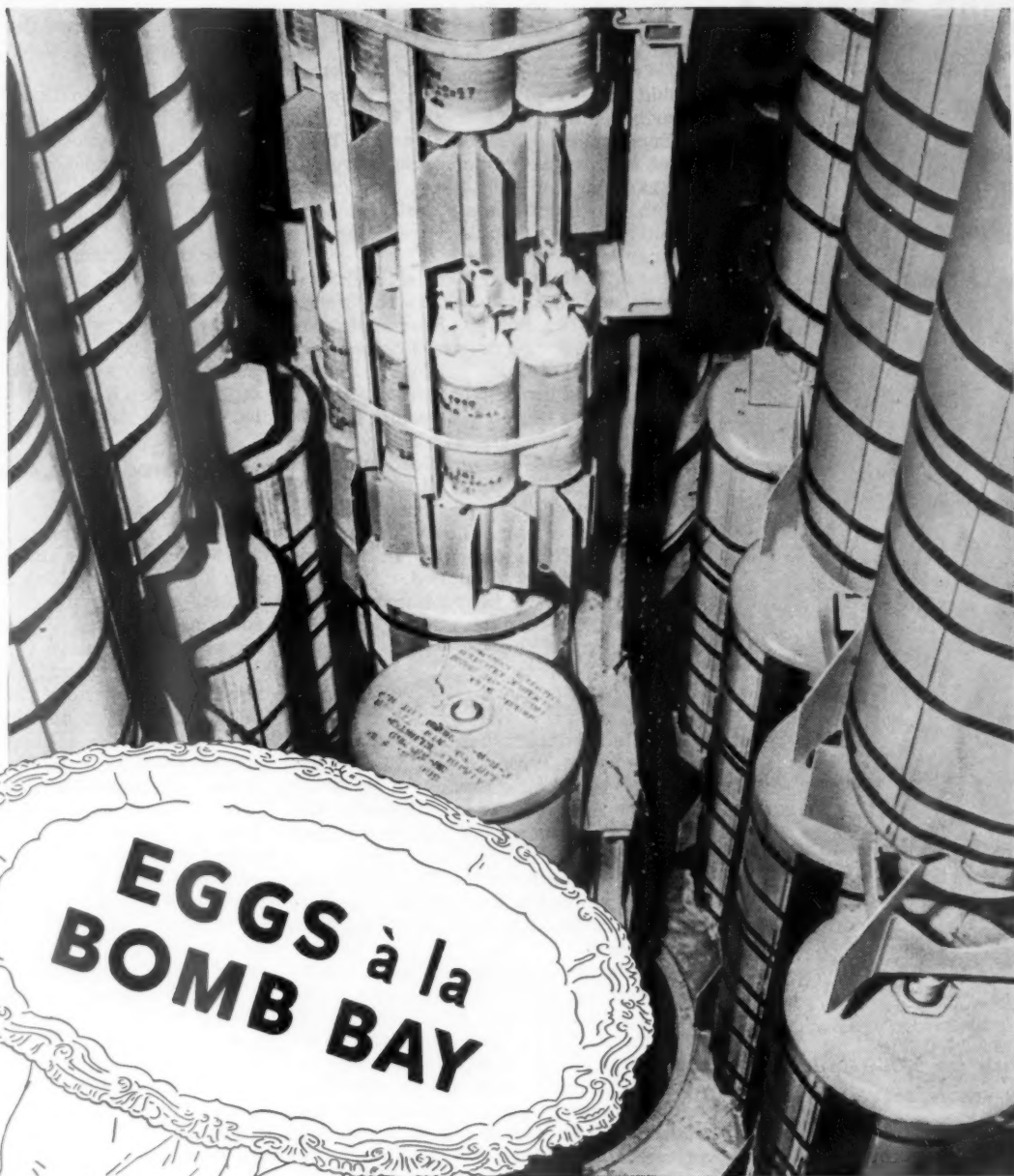
Sam fills his truck every day and empties it by late afternoon. He makes about 40 cents a carton, and his truck usually carries about 1,800 cartons.

Sam ekes out a daily profit, it appears, of some \$700 a day, after making allowance for what his black market gas coupons cost him. He is not a lone wolf. In many cities where cigarettes bring up to 50 cents a pack, the Sams are legion. They pay no income tax, because taxes are for suckers who remain within the law... and buy black market cigarettes.

Nylons have become rarer than rubies and more costly. Purveyors of nylons are very choosy. They won't sell everybody, because everybody hasn't \$10 to spend on a pair. Besides, a black marketer in nylons has his own trade to take care of.

Down in the financial district of a great metropolis if you were waiting to see a certain executive, you would have seen a cocky, aggressive chap come along, breeze by the secretary and stride into the office marked "Private."

You might have asked, "Is he serving



**EGGS à la
BOMB BAY**

... served by B-29's

THE accuracy with which our Superfortresses drop their deadly bomb loads on enemy objectives is matched by the precision of American Industry in producing the planes, the bombs and the thousands of other implements of war.

One imperative demand of all America's war plants, to maintain precision in mass production, is *effective lubrication*.

Texaco offers industry, everywhere, the

advantages of buying quality lubricants — under one Sales Agreement for all plants throughout the United States.

1. Greater convenience and prompt delivery (through Texaco's *more than 2300 wholesale supply points*). **2.** Uniform quality and specifications of industrial fuels and lubricants. **3.** Skilled Lubrication Engineering Service to aid in increasing production.

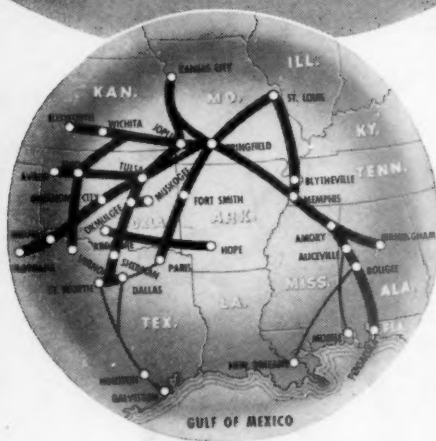
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—in all
48 States



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Frisco World



Frisco, with its 5,000 miles of rails in 9 states, serves a territory in which is located 24% of the U.S. area, 20% of its population... in which is produced 24% of the farm crops, 24% of the livestock.

In addition, the Frisco is an important link in transportation... border to border... coast to coast.



FRISCO
LINES

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A Great Railroad

a summons or is he a member of the family?"

"Wrong both times," the secretary would have replied wearily. "He's delivering some nylons to the boss."

Encouraged to elaborate on the bearer of nylons, the envious young woman might have told this story: The caller, whom she identifies as Fred, makes a weekly trip to a supplier operating in a Pennsylvania mill town.

Once a week, Fred loads a truck with nylons and sallies forth to the neighborhood of big money. Fred claims he pays \$5 a pair, and only makes "a legitimate profit." He also confesses that he hasn't netted himself less than \$2,000 a week in more than a year and a half.

Of course, scoffers will tell you this is hearsay, and reasonable doubts are permissible. But beyond any doubt Fred has nylons to sell, he has customers for them at \$10 a pair, and he apparently experiences little difficulty in keeping his trade regularly supplied.

Fred may have heard about income taxes, but it's doubtful if he ever did anything about them.

Profits escape taxes

THE black market butcher, nylon purveyor, cigarette vendor and other members of the cast of our wartime *dramatis personae* are keeping the Treasury Department busy turning out the money they are pocketing.

They are contributing to high living costs all along the line because the best way to conceal their ample gains is to spend them.

For a while, it was hoped that a check-up could be made by registering the names and addresses of all depositors of bills in large denominations. This stratagem failed and probably was ill-advised. It only kept the black marketer's money out of circulation and added to the strain on the printing presses.

For a while it was rumored that the Government would padlock safety deposit boxes until it had a chance to examine them. This rumor, too, merely caused a switch in hiding places.

These gestures did something else. They made the public acutely conscious of the amount of untaxed windfalls that are in spend-happy hands. Businesses with books wondered what was going to be done about it. They still are wondering. Some indignant and reckless business men decided to take matters into their own hands, and "business expenses" in their cases covered a multitude of questionable items.

Charge accounts were opened at restaurants and hotels and night clubs. Bills paid monthly were charged to "trade entertainment." Some firms, it is said, bought numerous orders on tailors for clothes. The members of the firm, and others employed by it, again were the "trade."

Business interests were discovered in California and Mexico, and trips to those places entailed business "traveling expenses." In these, and many other,

devious ways, some firms managed to work themselves down to lower tax brackets.

Money spent in this fashion became the lifeblood of black markets. It enabled its possessors to outbid the law-abiding for theater tickets (another "business expense"), railroad accommodations (ditto), hotel rooms and so forth.

For the first time in the history of this republic, the Government provided the incentive for prodigal spending. It created a large and avid market for the "blackies." Of course, the Government had no such intention, and there still may be a day of reckoning, but cash leaves little trace.

Many prices are bid up

BLACK market money is finding its way into many unfamiliar places. Attend auction sales of some of the nation's great collections of art, antiques, books. Amazing prices are being paid for these "objets." Within two years or so, prices have more than trebled.

Cash poured into stockbrokers' offices in such an avalanche that a halt had to be called, and exchanges imposed rigid restrictions. Stock bought for cash of course may be bought in a dummy's name, and subsequently disposed of before pointed and embarrassing questions are asked.

But if black markets have any salutary lesson to teach, it may be that a government-controlled economy, even in wartime, doesn't work. At least, it doesn't work to the satisfaction or benefit of ordinary citizens.

After months of wrangling about OPA's ceiling prices on meat, a few government war agencies collaborated on a solution which boils down to a subsidy to support an impracticable program. Since all subsidies ultimately come out of the taxpayer's pocket, housewives will be paying more for meat, but the rise in price will be slightly concealed.

According to one OPA official, a decrease of 3.9 per cent in food prices has been effected since the May, 1943, "hold the line" order. If you listen to housewives—and how can you escape doing so—they don't care a fig for this figment of the imagination.

Many butchers, they will tearfully inform you, trim and weigh meat out of sight, so that the less fortunate cannot importune them for that highly prized if not priced commodity. Consequently, they will confess, it requires the intuition of a seventh son of a seventh son to guess the original weight or calculate the price paid per pound.

Still struggling desperately to get order out of the controlled economy chaos, WPB and OPA issued their respective M.P.R. 580 and M-388 orders. Cutting away about 50 pounds of red tape and legal terminology, which nobody understands, these orders are designed to bring lower-priced apparel to the well-clad consumer.

Only war agencies know how you can

produce better apparel at lower prices despite higher costs. Manufacturers aver that, if the war agencies know how to perform this feat, they ought to turn their talents to manufacturing.

Besides, the trade complains, these twin orders could only result in the production of grades of clothing for which no visible market exists. They fear that the ultimate effect will be to aggravate growing shortages in grades of apparel which are in demand.

One immediate result of imminent apparel shortages is a buying stampede in better apparel departments and shops. This means the women who get to them first with the mostest money will leave lean pickings for the stragglers.

If you believe the end of the war is in sight, you may shrug off the black market problem with the assumption that, as supply increases, black markets will simply fade from the picture. Such reasoning is dangerous. As many kill-joys frequently have reminded us, World War I inflation began after Armistice Day. They recall that prices rose 40 per cent after hostilities ceased.

World War I gougers of the public were characterized as profiteers. The difference between a profiteer and a black marketer is only a matter of 27 years. There is no dissimilarity between the breeds.

Ceilings set too low

WHAT then is the solution? Let's study the problem. Government regulations have neither prevented scarcities nor effectively controlled more than a few prices. Price ceilings are meaningless if food or merchandise is unobtainable at ceiling prices.

One solution that suggests itself is a more practical, and less political, policy on the part of OPA. If price ceilings are not adjusted to levels that permit legitimate manufacturers and distributors to function, is it surprising that black marketers multiply and prosper?

Manufacturers have been literally driven out of their prewar wholesale price lines because OPA tried to hold the line on prices that did not even permit them to recover costs. As they moved into successively higher price lines, price ceilings became empty promises.

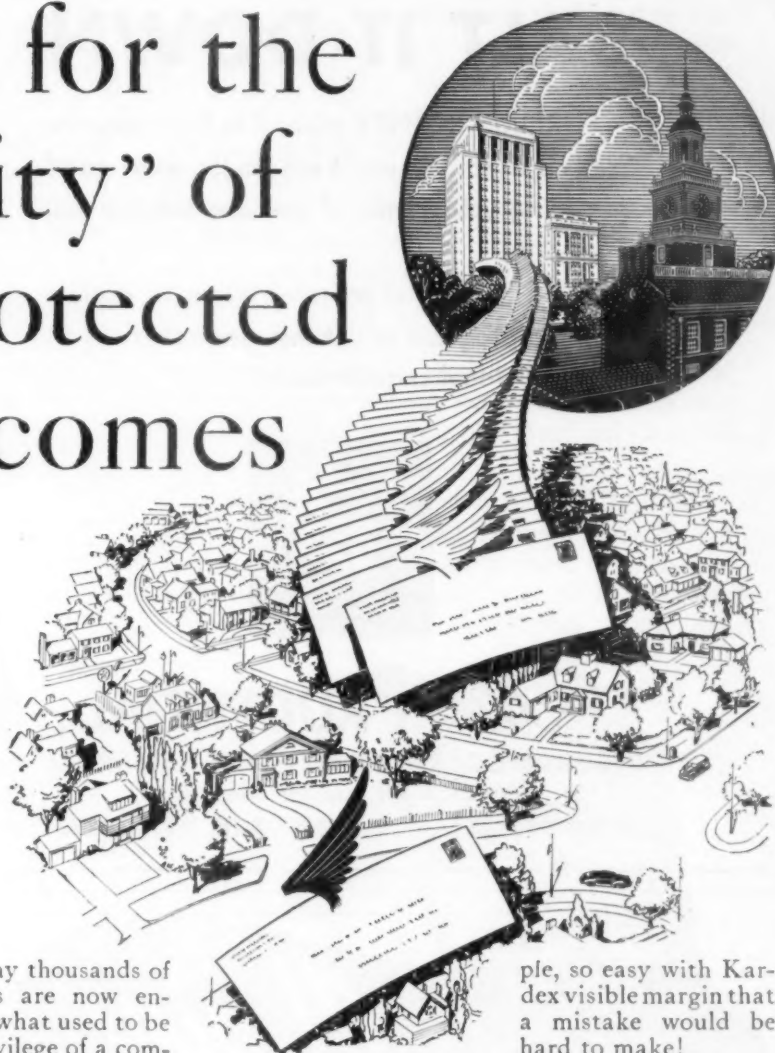
After more than two years, OPA finally recognized the futility of slaughterers' price ceilings that enabled slaughter houses not federally inspected to boost their output eight to ten times over last year while inspected plants were compelled to reduce their operations.

Still shrinking from the cold, penetrating light of reality, OPA has sanctioned subsidies, apparently little realizing that this move *per se* is a tacit admission that ceilings were out of line with the facts of a slaughterer's trade life.

Suppose the Government had imposed no ceilings? Would prices have spiraled, as many feared they would? Nobody can answer that question with any as-

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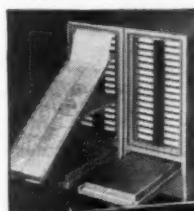
Errors and delays have been cut to the vanishing point, while the growing number of payments has been handled by fewer clerks. Reference is so fast, so sim-

ple, so easy with Kardex visible margin that a mistake would be hard to make!

Nor do Penn Mutual's records become lost or mislaid because even in use, they always remain in place. At a flip of the finger all needed facts come into instant view.

While Penn Mutual's administrative control is a notable example of the effective use of "Fact-Power", every business has vital record-keeping jobs to which Kardex can bring greater speed and efficiency—improved accuracy and facility of executive control.

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insurance of accuracy. It is reasonable to presume that, if prices had been left to find their own levels, production would not have been restricted or curtailed. Even today, food shortages are most acute in those sections where government regulation has been closest.

Suppose the \$1.95 dress manufacturer had been permitted to advance his price 30 cents to cover increased costs, would that have been preferable to witnessing the disappearance of the \$1.95 dress entirely, and its replacement by a \$4.95 dress? If competition among \$1.95 dress manufacturers had simply been shifted to a \$2.25 price line, wouldn't more ample supply have assured the shopper of better selection and value?

Can government regulation ever supplant free and open competition to the advantage of producer, distributor or consumer? The experience of this nation during the wartime period doesn't present any convincing evidence that regulation is an improvement over competition.

Excessive taxes unquestionably have contributed to the development of black markets by penalizing the legitimate business man and favoring the illicit operator. Hemmed in on one side by price ceilings that were impracticable and on the other by taxes that were excessive, legitimate business lost incentive to produce. Capitalizing on that fact, the black marketer took over. And everyone lost—the consumer her value received, the Government its taxes payable.

Regulation helps black markets

THERE are now those who would have you believe that business should absorb its higher costs during reconversion and stretch its neck out towards the illusory profits that dangle from the end of a stick labeled "Bigger Volume." The same folk who are the proponents of cost absorption insist that a government controlled economy can eliminate the profit incentive and still provide jobs.

The black market boys know, if the theorists do not, that postwar regulation of business will prolong black markets.

Black markets can only be protracted if supply is kept substantially below demand. Commodities of any kind cannot command black market tribute when they are generally and freely available. Destroy competition, as the war again has taught, and you destroy the factors that make for ample and better goods at the lowest prices consistent with sound business.

American business will not have won the peace if it has lost the system of free enterprise that made this nation strong enough to win the war. Government regulations unwittingly have fattened the black marketers. The theme song of business is, "Don't Fence Me In."

If government levels the fences, business will lead the way again to sound and healthy prosperity for all—all, that is, except the black marketers.

MILD THE YEAR 'ROUND

THINK OF THE SAVING in construction costs when you build your plant in Metropolitan Oakland Area. Mild climate the year 'round. Your plant will not require double walls or heavy insulation.

Think of the saving in heating equipment and heating costs. Your plant will need heat only three or four months in the year, and not much even then. Air conditioning and cooling systems will be required only for special processes.

Think of the saving in manhours. No extremes of

temperature, no snow and sleet and slush—your employees will lose practically no time because of inclement weather.

Think of the increase in production. With an average annual temperature of 56.6 degrees, close to the ideal for maximum efficiency, your production will be greater. Some plants turn out 15 per cent more per manhour than in their eastern factories.

Our new book, *It's An Amazing NEW West*, contains 48 pages of vital information and statistics about the advantages and economies that will be enjoyed by your Metropolitan Oakland Area plant. . .

The astonishing expansion of our "four-great-markets-in-one" . . . our strategic location for fast, low-cost distribution to these markets . . . tremendous natural resources . . . largest power supply in the west . . . many other advantages.

MILD INVIGORATING CLIMATE

The average mean temperature in Oakland is 56.6° F., the nearest to the ideal for greatest efficiency, 59° F., than in any other major manufacturing community.

The mean maximum for July is 72° F., and the mean minimum for January is 43° F. Freezing is extremely rare. The lowest ever recorded was 25° F.

Clear or partly clear days, 76 per cent of the year.

Practically rainless summers, yet temperatures are seldom high. Summer fogs assist in keeping them low and equable.

Winter is the rainy season, with rainy and occasional days intermingled with clear and mild weather. January, the rainiest month, averages less than five inches. Average rainfall a year is 23.52 inches.

TEMPERATURE AND RAINFALL

Based on observations from a station near your plant (1901-1925)

Month	Mean	Max	Min	Total
Jan	43.0	55.0	31.0	15.0
Feb	46.0	58.0	34.0	14.0
Mar	49.0	61.0	37.0	12.0
Apr	52.0	64.0	40.0	10.0
May	55.0	67.0	43.0	8.0
Jun	58.0	70.0	46.0	6.0
Jul	61.0	73.0	49.0	4.0
Aug	64.0	76.0	52.0	3.0
Sep	67.0	79.0	55.0	2.0
Oct	70.0	82.0	58.0	1.0
Nov	67.0	79.0	55.0	2.0
Dec	64.0	76.0	52.0	3.0
Yearly	56.6	72.0	43.0	23.52

RELATIVE HUMIDITY (MEANS)

Oakland, California Municipal Office

Based on observations from a station near your plant (1901-1925)

Month	Mean	Max	Min
Jan	75.0	85.0	65.0
Feb	72.0	82.0	62.0
Mar	69.0	79.0	59.0
Apr	66.0	76.0	56.0
May	63.0	73.0	53.0
Jun	60.0	70.0	50.0
Jul	57.0	67.0	47.0
Aug	54.0	64.0	44.0
Sep	51.0	61.0	41.0
Oct	48.0	58.0	38.0
Nov	45.0	55.0	35.0
Dec	42.0	52.0	32.0
Yearly	56.6	72.0	43.0

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You may have a home designed for healthful living, with patio or outdoor living room with fireplace, a barbecue pit, lovely gardens and trees. There are almost no more cities with us.

You may enjoy the healthful freedom and simplicity of suburban living, and at the same time big city advantages and services.

Metropolitan Oakland Area offers a most unusual combination of a sunny spacious homeland, world-famous scenery, and exceptional educational, commercial and industrial opportunities.

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When is an Emergency Over?

By C. C. CAMPBELL

Is American business and industry headed for a black-market, bootleg economy era?

Evidence mounts to indicate that government controls are breaking down. Many people believe that we may be edging up to a resumption of the "noble experiment" of prohibition and on a grand scale covering nearly all American products.

Alarming symptoms are already being manifested. Black markets in cigarettes, meats, used cars and other commodities are thriving and, obviously, government agencies in charge have no conclusive way of dealing with them. Under-the-counter and side-payment sales are commonplace.

Our best people make little secret of their intention to participate. Recently, a Congressman told fellow committeemen that, if his family needed meat and he were unable to buy it in the regular market, he'd get it for them, somehow. Asked if that meant patronizing the black market, he said: "You may draw your own conclusions."

If that condition prevails now, when the country is at war, what will happen when patriotic restraint no longer exists?

In spite of this the campaign for continued government control is already under way. James F. Byrnes, former War Mobilizer, in his message to Congress on the proposed manpower bill, emphasized his opinion that such controls were necessary, "not only for war production but also for the production of essential civilian goods, and later to facilitate reconversion."

Following this same line of thought, Director of Economic Stabilization Davis, OPA Administrator Bowles,



LIKE the old-time patent medicine which promised to make fat people lean and thin people plump, government controls are being urged as a cure either for inflation, if it comes, or for deflation

WFA Chief Jones and War Labor Board Chairman Taylor jointly appealed for a continuance of price and wage controls during the postwar transition period.

Business executives noted that the administrators' plea did not define the period during which such controls would be in effect or whether business developments would require them in similar force now and after "final victory." They noted also that the four administrators seemed unable to decide whether the real danger facing the American scene would be a "runaway price rise" or a "postwar collapse of values." Like the oldtime patent medicine advertising promising to make fat people lean and thin people plump, their statement implied that government controls were the only solution to whatever might happen.

Chairman Krug of the War Production Board also urged continuance of government controls for the reconversion period. While his 12-point proposal would lift some controls, others would remain and one in particular might prove a joker in the whole plan for reconversion. This proposal would con-

tinue control on distribution of materials including most materials that are basic for manufacturing. These would be leather, tin, paper, containers, some chemicals, crude rubber, cordage, fiber, lumber and some steel.

Unique among the administrators in Washington, Mr. Krug has come out for release of all government controls as soon as the war is won. He would relinquish many before that. However, there is considerable speculation in Washington, in view of the manner in which reconversion policies are now vested in Mr. Vinson's office, just how much influence Mr. Krug, or WPB, will exert on postwar policies.

Program for planned economy

WASHINGTON hears, too, that several high executives have outlined a program for a continuously planned economy. As a keystone of such a program, government controls of materials, prices, supplies and wages, providing both ceilings and floors, would continue indefinitely, perhaps permanently.

Under this plan a new over-all planning board would be set up in Washington.

This group would establish the volume and distribution of production with a view toward insuring full employment at levels to be set at Washington.

Subgroups including representatives of government, labor and management would issue directives for specific industries and fix wages and prices. The number of companies in each business field and their location would be controlled. New firms wishing to enter any line would have to obtain permission, as would concerns which wanted to expand.

In connection with this, the seemingly inevitable government spending program would be put into effect, on a far larger scale than ever.

One government spokesman who re-



THOSE who secretly want planned economy will never be specific. They would use the transition period to justify extension of controls. Then other "emergencies" would be used as excuses for new laws, all disguised as necessary to save free enterprise

Opportunities Abound in the Old North State



"The people of North Carolina are fully conscious of the fact that the Southland is the new frontier of opportunity. The Tarheel State believes in its future, and in the future of this country. Our doors are wide open to new industry and agriculture — to everyone, who is prepared to lend an aggressive hand to the full development of the State's great possibilities."

R. Gregg Cherry

R. Gregg Cherry
Governor of North Carolina

Three hundred and sixty years ago the first Englishmen landed on Roanoke Island, and in this colony was born the first white child in America, all within the borders of North Carolina. They disappeared — to become known as the famed "Lost Colony" of the Roanoke.

On the sand dunes of Kill Devil Hill at Kitty Hawk, N. C., the first airplane flight in history was made by the Wright Brothers in 1903.

North Carolina

North Carolina occupies a strong, leading position in the ever increasing development and progress of the South. Textile products, furniture, tobacco, cotton goods, and knit goods, agricultural and dairy products are among the Tarheel State's leading industries. Ample raw materials and resources are available for new industries, including plastics and ceramics. Clay, mica, talc, stone, felspar, gold, sand, gravel, kyanite, aluminum, asbestos, copper, precious stones, manganese, and lead are available.

Well located sites for industries are abundant. There is plenty of power and water for commercial uses. Labor is adaptable and intelligent. Climate is mild. Seaside and mountain resorts and parks, deep sea fishing, and game add to recreation opportunities. The Great Smokies lend scenic attraction in Western North Carolina.

Productive areas of North Carolina are served by the Norfolk and Western, with rails extending from Southern connections through Winston-Salem, N. C., and Roanoke, Va., and Durham, N. C., and Lynchburg, Va. — and points North, East and West.

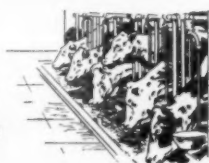
North Carolina's favorable location, and her other essentials to sound industrial and agricultural growth, hold for the state a future of far reaching progress, in which the Norfolk and Western is proud to have a substantial part.

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FOR BETTER PLANT LOCATIONS



fused to permit his name to be used explained it this way:

"When the Japs are licked the Government must necessarily take positive steps to maintain high-level production and employment. It will be necessary for the Government, in order to eliminate unemployment, to indulge in large-scale expenditures.

"The Government must consider, along with other plans, a combination of a guaranteed market and guaranteed employment. To this end, the Government would have to set its sights at a certain high national income level as well as assign a minimum employment quota to each industry—so much to steel, so much to automobiles, etc.—to be divided up as each industry itself decides. The Government would in turn have to guarantee a market for all products turned out."

Such a plan seems so un-American that many business men scoff at the possibility. It does seem highly unlikely that Congress would permit such a development or that American business men would sit by and allow business to be regimented.

So Washington observers point out that such a full measure program would never be proposed all at one time. Controls would be acquired on a progressive basis. For instance, the transitional period would be used to justify continuance and possible expansion of controls. Later inflationary or deflationary trends would be noted and govern-

ready to be flashed the minute industry fails to perform to their liking."

Another step toward the planned economy idea is the Murray bill for full employment. Under this measure the President would be empowered to determine when private industry had used all the labor it could absorb and then create government-financed work to make jobs for all others.

Congressman Noah Mason (R. Ill.) asserts that the Murray bill "rests upon the assumption that a small select group in Government has the supreme wisdom and foresight to make all the necessary decisions for the rest of the people. . . . This is the theory that underlies Communism in Russia and Nazism in Germany. It is exactly opposite to the democratic theory of government under which we have thrived."

Government in everything

OTHER congressmen point out that the idea of guaranteeing a job to everybody who seeks one, regardless of circumstances, has far-reaching possibilities. It might lead to a situation where the federal Government would become so great an employer of labor that its employees would hold predominant voting strength and would be in effect a political organization, tied to the administration in power.

Several business executives, who consider that attempts to foist a planned economy on American business through

ing, hardware, agricultural implements and medical equipment.

Even greater concern is expressed over the sales of war plants. Considerable influence is being exerted by various groups either to dispose of the plants to government corporations or to make them focal points for a postwar employment program by attaching to their acquisition a guarantee that employment will be given to a specified number at certain wage rates.

Congressman Jerry Voorhis inserted in the *Congressional Record* a statement of Benjamin C. Marsh of the Peoples' Lobby to this effect:

"There is one way to raise the living standards of all Americans . . . that is to have full production of everything Americans need and pay producers enough to buy the products of industry and farm out of current income . . . not by general installment buying.

"To get this American standard for all, the Peoples' Lobby is trying to get the Government to keep the factories and plants it has built for war production . . . and convert all possible to peace production. Most of them could be converted in from one to six weeks.

"They would be operated through public corporations . . . by production engineers and technicians who have proved that they know their business . . . as American mechanics have by their war records."

Thus Government would spread its public business in direct competition with private industry, using the plants built with money that private industry paid to the Government.

Of course, much of the concentration upon continuance of government controls and a government-planned economy stems from the natural desire of war agencies to dig in for peacetime, and that of executives who want to make careers in Washington as the "experts" in charge.

Bureaucrats have big plans

According to their budget requests and regardless of European victory, most of the Washington war agencies had hoped to proceed at full force during the coming fiscal year, but President Truman's recent cut has made some of them reduce expenses a little bit.

WPB Chairman J. A. Krug feels that industrial controls by WPB should be thrown off as quickly as possible, but not everyone in the agency agrees with him. One top administrator is reported to have stated that he "fears a cyclone of price black markets if WPB's production and distribution controls are freed."

Labor, as represented by CIO, would like to see WPB continued. Philip Murray, CIO president, in a recent letter to Fred M. Vinson, director of the Office of War Mobilization and Reconversion, said:

"WPB's deliberate suicide now would adversely affect the nation's prosperity and create grave unemployment.

"The CIO calls for programming,



FEW industrial groups need government supervision, accompanied by endless forms and questionnaires, to know how supplies can be apportioned fairly. Control by the industry itself can be far more satisfactory than government control

ment controls proposed to keep them within bounds. After that other emergencies could justify continuance.

As cut-backs caused unemployment and other dislocations, many efforts could be made to "help private business." As James A. Farley sees it:

"The men who will bear watching are those who profess to believe in free enterprise, but with certain conditions always attached, such as: provided it is helped by government, supplemented by government, protected by government against its own weaknesses.

"These are the same self-styled friends who say: 'If industry doesn't provide full employment, government must take over!' Having all the time a plan for that purpose inside their pocket,

manipulation of government controls is far from visionary, point to the control machinery of surplus property disposal as a ready-made means to develop the plan. In many categories the surpluses are larger than the needs of the nation for many years. If these are dumped on the market or inequitably distributed, many lines of private business will cease to exist.

Transfer of Treasury Procurement's section of surplus disposal to the Department of Commerce and the plan to change over other surplus sections to Secretary Henry Wallace has done nothing to assuage business men's worries. Some of the surplus items which Mr. Wallace will sell for the Government in his new capacity are automobiles, cloth-

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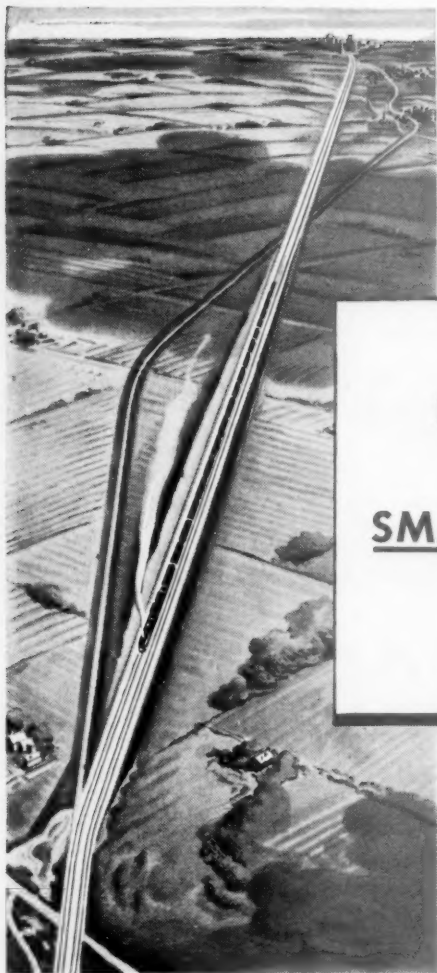
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is the
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As yesterday—and today—so tomorrow, ROCK ISLAND'S sole purpose is to provide the finest in transportation!

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America's pioneer railroads were built to serve as many early, struggling communities as possible. The railroads were the life-blood of the early nation they helped to build. Constant improvements have enabled ROCK ISLAND LINES to keep ahead of the demand for better, faster service. Shortening, straightening and leveling have made, and are making, our routes more direct, as we continue to serve an impressive number of American communities.

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ONE OF AMERICA'S RAILROADS — ALL UNITED FOR VICTORY

especially including the allotment of materials, to be continued to the extent necessary to accomplish the basic purposes enunciated in the 1944 election by the administration in office; and for as long as these purposes require.

"Such programming should be undertaken not only to sustain the civilian economy for war production purposes, but also to generate economic activity that will sustain full employment."

The War Production Board had asked for \$48,000,000 to provide for meeting "the constant changes anticipated in the munitions program due to strategic considerations and battlefield experience." And to take "into consideration the continuation of a tight civilian supply situation during the next fiscal year."

The Office of Price Administration, with its 60,000 employees, had asked for \$178,000,000, an increase of about \$6,000,000, in recognition of "growing inflationary pressures and a decrease in the supply of civilian goods."

Foreign Economic Administration requested \$19,002,800, an increased appropriation, to provide among other things for enlarged staffs to prepare plans for the economic control of enemy countries and for "the review of supply programs in liberated countries."

CED asks end of controls

AS THE Committee for Economic Development points out, America cannot at once lift all wartime controls on prices, wages, production and rationing at the end of the war. They must be lifted selectively. However, the Committee points out that controls should be ended as soon as possible, and in that respect takes issue with the projected government idea that controls will always be necessary.

Business executives know that in peacetime production of civilian goods and services must be encouraged. This can be accomplished only with free markets, which means free wages and free prices. As the Washington Post states in an editorial: "In a free market economy, prices are thermometers whose function it is to tell the truth about conditions."

"Prices rise most where the shortages are the greatest. They fall where there are surpluses. Production then concentrates at the points where the greatest profits exist. In this way, the most urgent shortages tend to be relieved most quickly."

But, how about controls during the interim period? It is admitted that some controls must be in effect until the normal operation of supply and demand is again approached.

Could not such controls be left to the common sense and good judgment of the business men themselves, the ones who will be most directly affected?

In producing for war, American industries have learned to cooperate as never before. In the automotive and aircraft industries, for instance, all indi-

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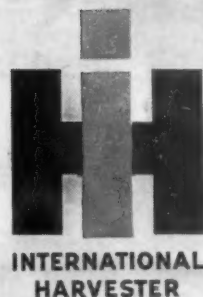
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WHEN war comes to an end, power-farming will move forward on pent-up plans. And the plans of every good-farming community will look to the saving of productive soil—to the control of erosion—to the sensible, modern practice of farming *on the contour*.

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Twenty-two years ago International Harvester introduced the Farmall Tractor...the first all-purpose tractor adaptable to all kinds of farming.

Today there are more Farmalls on American farms than all other makes of general-purpose tractors combined.

Farmall was FIRST... Farmall IS first today.

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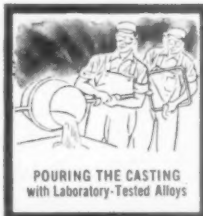
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vidual units, competitors in ordinary times, pooled their resources of ideas, plans, and inventions. Controls of the supplies and materials which Government later put in effect were first worked out by industry members themselves.

In other business and industry groups, self-policing can be equally successful during the reconversion period. Few business men need government supervision, accompanied by endless forms and questionnaires, to know how supplies can be apportioned fairly to give everyone in the industry a square deal.

Distributors frequently hold the dominant place in the picture. Looking ahead to postwar business they would gladly handle the situation within their specific fields. As an instance, paper for publishing periodicals is limited. Nevertheless, all publishers are in the same fix. Why cannot the distributor say to each publisher:

"The amount of paper stock is this. Dividing it proportionately among my publisher customers, I can allot you so much" . . . without the necessity of referring it to Washington and in turn having Washington draw up involved directions.

Such control by an industry within itself can be far more satisfactory than control by a government agency, especially by one which has no practical means of enforcing its rulings.

It will be remembered that President Truman said a year ago: "During this war, it has been necessary for the Government to create many agencies which dole out materials. Such action was necessary because wartime scarcity required that materials be channeled to their best uses. The agencies were headed and, in most cases, staffed by business men. Their efforts were sincere, and, in most cases, successful. But these controls were justified only by the necessities of war and they should be eliminated as soon as possible at the end of the war."





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Today, protecting food for our soldiers is one of versatile Sylvania cellophane's important jobs. Within the double walls of this ration bag...coffee, sugar, crackers and chocolate are kept safe from moisture... their freshness preserved for a fighting man's appetite.

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Salt is a balance wheel in the human body. When salt is lost the body becomes dehydrated and the blood thickens. The result is Heat-Fag, lassitude, inalertness. Production suffers and accidents increase.

The easy, simple, sanitary way to replace the salt lost through sweat is with Morton's Salt Tablets. It costs less than a cent a man a week to have them available at every drinking fountain.

In salt tablets, as with other grades and types of salt, Morton is the recognized leader. Order Morton's Salt Tablets and Dispensers from your distributor or directly from this advertisement. Write for free folder. Morton Salt Co., 310 South Michigan Ave., Chicago 4.



MORTON'S DISPENSERS

They deliver salt tablets, one at a time, quickly, cleanly — no waste. Sanitary, easily filled, durable.
800 Tablet size \$3.25

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Morton's Salt Tablets are available either plain or with dextrose.
Case of 9,000, 10-grain salt tablets \$2.60
Salt Dextrose Tablets, case of 9,000 \$3.15

**MORTON'S
SALT TABLETS**

A Way to Solve Labor Disputes

(Continued from page 26)

prestige that their decision would carry weight in both labor and industry.

The development of such guiding policies for a national board of arbitrators to follow in settling disputes voluntarily submitted to them is a problem that requires the best judgment that management and labor can produce. These policies should not be the suggestions of any one man. They should be hammered out by unanimous agreement of a conference of informed labor and management representatives. Such a conference should have representatives of national employer organizations and national labor unions.

The conference would be in session not for a day or two but as long as might be necessary to arrive at agreement with respect to such basic arbitration policies as:

1. What criteria shall be used for wage and salary determinations?
2. What shall be the effect of prevailing area or industry wages and salaries?
3. Should cost of living be a factor in wage setting?
4. Should geographic differentials be used?
5. What functions should necessarily be reserved to management?
6. What functions should necessarily be reserved to unions?
7. What about compulsion concerning union membership?
8. Should "good standing" be defined?
9. What principles should govern privileges to be granted to unions on company premises?

These are, of course, not all-inclusive but with mutually agreed upon policies such as these to guide it, I feel that the board of arbitration would be used fairly extensively, confining strikes and lockouts to those cases in which one side or the other insists on exercising its legal rights and refuses to submit to arbitration within well-defined policies.

It would be expected that the management representatives and their organizations would encourage individual manage-

ments to frame their collective bargaining decisions within the framework of the principles enunciated for the arbitration board and to utilize the arbitration board as a court of final resort if they find themselves unable to resolve negotiations by direct means. Likewise the leaders of labor organizations and their organizations would urge individual unions to frame their demands within the scope of the principles enunciated and to utilize the services of the arbitration board in case they are unable to conclude their negotiations directly.

If a conference should be called to develop principles to guide their postwar arbitration board, it would seem advisable to do so before the postwar maladjustments are upon us, with their accompanying disputes and heated tempers.

Whatever the final program may be, I believe we should ask no special consideration for management as such, nor for labor organizations as such. Our greatest hope for progress lies in our ability and determination to view the entire problem from the standpoint of the welfare of the great majority of employees. If we do that, I am confident we shall not go far astray.

Both management and labor bear a grave responsibility to the future of our country. Let us meet that responsibility by working together for greater abundance for all, rather than by yielding to the petty impulse to attack each other because of our limited areas of disagreement.



"I don't know whether I am supposed to pay the tax or return 20 per cent and let you pay it"

Reparations May Vanquish the Victors

(Continued from page 30)

ringia, Wurttemberg and states which Germany may not lose.

The first step in dividing the industries will be to determine the extent of damage and destruction in Germany. What is there to divide? Probably less than anticipated.

The answer will not be long delayed but if the division is to be equitable, it must wait until we know what remains of the steel, chemical and other strategic industries which are to be stripped from Germany.

After the inventories, the arguments can start over who gets what. That there will not be enough for every claimant is certain. France, for example, may not want another textile mill but could use a high grade optical plant. So could any other country—but there is only one Zeiss factory—while the Soviet Union, with its ruined factories and program of industrialization, could find places for all of Germany's industries—provided the skilled workers are delivered with the machines.

Thus what reparations forebode for the future, the possible dangers, become clear. If Germany is stripped of her industry, the big part which Germany has had in European and world economy will either disappear or shift to other countries. Shifting the trade and preserving it at the same time may be impossible. The industry may survive but may disappear from the global economy—resulting in less business, less employment and lower living standards in many countries.

Trade may be upset

FOR example, if a textile factory and 10,000 workers are moved to the Soviet Union, that country's gain is the loss of that many customers and their dependents for Danish dairy products, Norwegian lumber, Swedish iron ore, cereals from central Europe and products from many countries, including the United States. Textile Birmingham or Lyon may get rid of a competitor but England and France will pay by losing a market for other exports. The illustration can be multiplied by all the industry of Germany. If the German market is destroyed, other countries must pay the cost.

That cost will be measured not only by decreased trade figures for a single year but by the decrease for every year which follows. Before its war insanity, Germany accounted for roughly one-third of the trade of continental Europe. The other countries bought as much from Germany as they did from England and the United States combined. Only England equalled Germany's purchases from the rest of Europe. Foods and raw materials were 90 per cent of Germany's imports while manufactured

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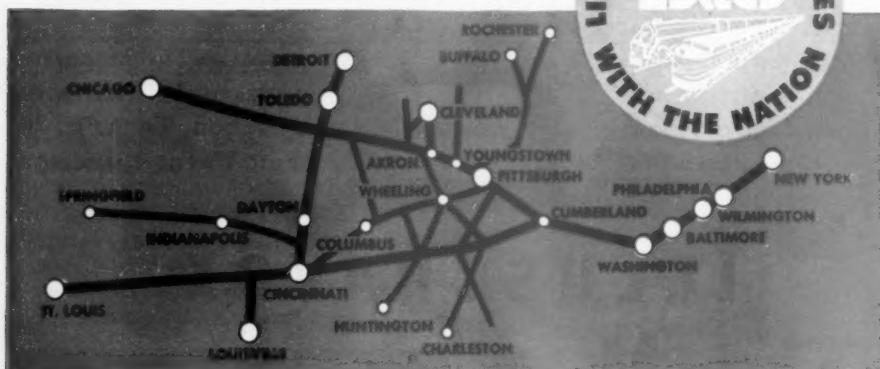
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R. B. WHITE, President

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BALTIMORE & OHIO RAILROAD

goods were 80 per cent of its exports. What becomes of that market is a big question for the future. For the present, the countries of Europe have more need for food than for finery and little wherewithal to pay for either.

If the part which Germany had in the world economy disappears forever, even the generous help from the United States may not be able to restore the commerce, employment and living standards of other European countries. And neighboring countries cannot survive if the center of Europe is a pestilential slum.

Manpower: An even more serious and far-reaching issue is including manpower in reparations. This is particularly repugnant to the basic principle of our republic. America was the first materialization of the idea which had been developing in Europe for a couple of centuries that human beings are not the chattels of kings and rulers. Our nation, recognizing the dignity and freedom of man, was founded on the principle that the citizens own the state, and no longer are the property of the state. Some countries never accepted the principle and dictators annulled it in others. It was one of the freedoms for which we fought this war.

Slave labor is unequivocally opposed by the American Federation of Labor, as President William Green stated more than a year ago. The Congress of Industrial Organizations says it has not decided. The AFL position is not based primarily on opposition to slave labor competing with paid labor but on the broader principles of the dignity of the individual, his right to choose his work and antagonism to dictatorship.

"Because the Nazis used such labor is no reason we should follow the same technique," an AFL representative explained.

After the previous war, Germany proposed sending workers to France to restore the devastated areas. French labor organizations and employers objected and the Government rejected the offer. Members of the reparations commission say countries facing the Atlantic now want German unskilled labor—possibly 2,000,000 for France alone—at least long enough to raze coastal fortifications, and skilled labor to rebuild cities.

The Soviet Union has declared its intention to use such slave labor. Under the Geneva convention, which permits the employment of prisoners of war under certain conditions, their imprisonments end with peace. The Soviet Union has not signed that agreement and possibly has 3,000,000 prisoners. Whether it will impress 1,000,000 or 10,000,000 more men and women from the countries which it occupies has not been specified.

According to reports from those blacked-out frontiers, the trains with their human livestock already are rolling eastward.

With vast areas undeveloped and its political system, Russia never has an unemployment problem. The destruction



ACCORDING TO IMPARTIAL POLLS...

America Looks to Philco for Tomorrow's Radio

BY AN AVERAGE OF **3 TO 1**
OVER ANY OTHER MAKE!

THE SCIENTISTS and engineers of the Philco laboratories are still giving all their thought and time to the production of radar and electronic equipment for our fighting forces. There is little they can say about the radios and phonographs they'll bring you after Victory. But the people of America have said a good deal!

They have spoken emphatically, in repeated polls of post-war buying preference, about what they await from Philco, *the leader*. One after another, they have expressed their intention to buy a Philco . . . *by an average of 3 to 1 over any other make!*

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Philco appreciates this overwhelming vote of confidence. The engineers whose war research today is making vital contributions to the swift progress of electronic science, will be ready when Victory is won to continue their record of leadership in radio research. And the same ingenuity which made Philco the acknowledged leader in radio for twelve straight years before the war, will bring you again the newest developments in the use and enjoyment of radio and recorded music.

Yes, Philco leadership tomorrow will justify America's vote of confidence today.



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Keep Buying War Bonds
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of war has increased its labor shortage.

The influential London *Economist* takes a similar view of the future of Germany. In a series of articles, it advocates what it describes as a "moderate, not a soft policy," based on: (1) keep territorial changes at a minimum; (2) five years of penal servitude; (3) no economic restrictions, except disarmament, after five years; and (4) no other economic or political restrictions on the German people.

Germany short of manpower

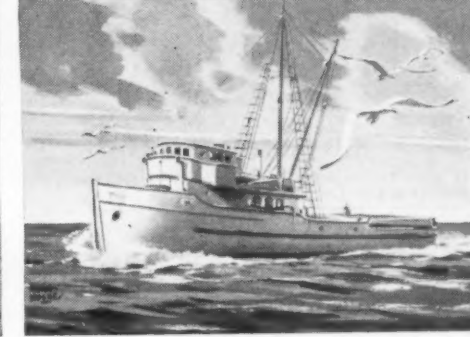
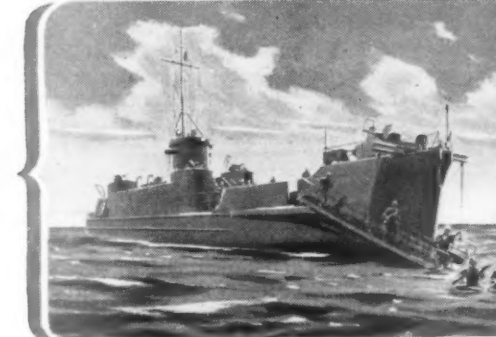
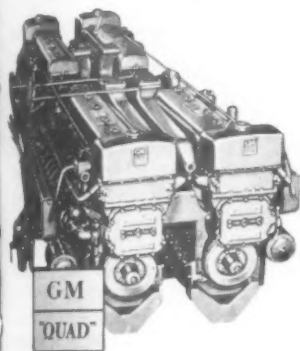
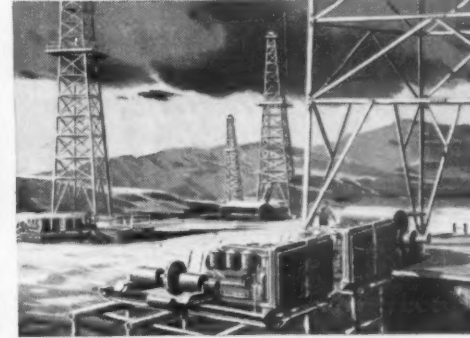
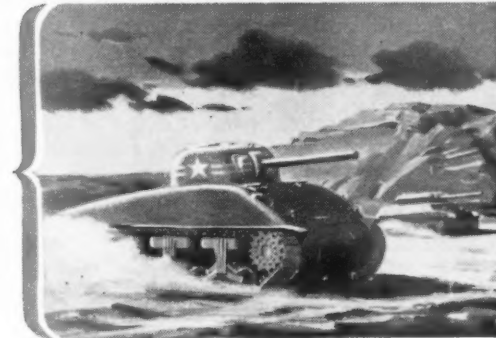
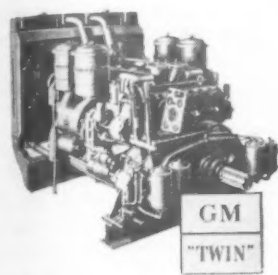
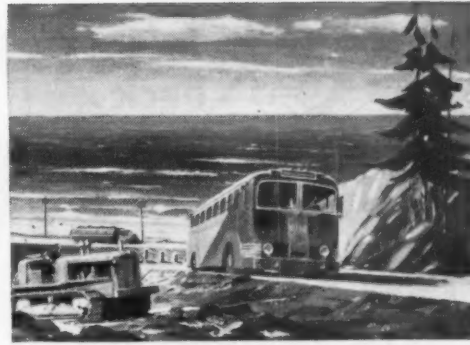
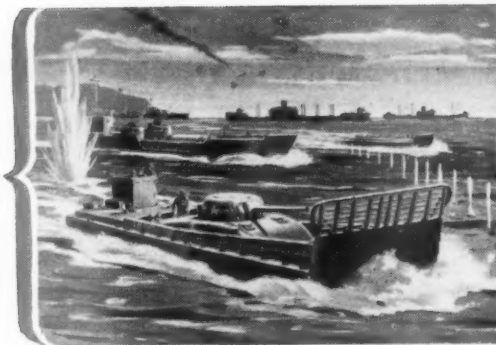
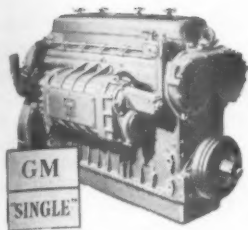
IN THE end, physical conditions may have more weight than principles of humanity in the decision. It is not known how much able-bodied manpower will survive in Germany. An estimated one-fourth of its population is in territory which will be given to other countries. Of the men between 16 and 65, possibly 6,500,000 are dead or crippled. Three-fifths of the surviving population are women. Men and machinery may be classed as property but neither can be taken as reparations if they no longer exist.

The United States has a part in the involved and explosive reparations settlements. The reparations will not be sufficient to cover the scars of war and may open new wounds. Many, if not all, other nations will feel that they have been deprived of the share to which they are entitled. Coolness can follow between Allies who have sacrificed for a common cause and grievances, if cherished through the years, can lead again to war.

The United States will have no bitterness when it gets nothing. More than that, it has shown its readiness to help all other countries, more than reparations can possibly do. Standing firmly on the ideals for which it fought the war, it can be the impartial and deciding power in determining reparations.



"Have you got the same thing only a little more expensive?"



"SINGLE", "TWIN" OR "QUAD"

This is the story of how one basic engine, a favorite everywhere it runs, has become a winner even in applications which demand two to four times its power.

The engine is the General Motors series 71 Diesel which, back in peaceful days, showed the world what dependable low-cost Diesel power could do on farms, highways and on scores of construction projects where developments in progress were quick to recognize the advantages of packing more power into less weight and space.

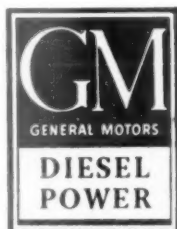
It's busy now all over the world powering landing craft and machinery that is building landing strips and leveling jungles.

Where double the power is needed and space is cramped, two engines are joined side by side. Such "Twins" are used in M-3 and M-4 tanks and M-10 destroyers.

In its third form, two "Twins" are joined end to end, forming a "Quad." It is two of these "Quads" that drive the twin screws of the famous LCI's (landing craft infantry), fastest of all landing craft.

But whether "Single," "Twin" or "Quad" these GM series 71 engines are promising many advantages for power users on big jobs and little. With a range of horsepower to fit almost every need, the GM Diesel will be a good bet for everyone who wants dependable power at low cost.

**KEEP AMERICA STRONG
BUY MORE WAR BONDS**



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the pipe smoker's
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25 Extra-pleasureful **25¢**
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*Eliminates
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The "Dustless" brush has a reservoir in its back which holds Arbitrin, a scientifically compounded sweeping fluid. The center row of tufts is connected to the reservoir. During the process of sweeping the Arbitrin feeds through these tufts and moistens every particle of dust it contacts. Instead of floating through the air, the dust is converted into the most efficient sweeping compound.

Tests have proved that "Dustless" sweeping reduces the number of bacteria, normally in the air between sweepings, as much as 97 per cent. The "Dustless" brush also cuts labor and material costs in half.

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Dustless brushes are used in hundreds of offices, factories, schools, institutions and stores. They are unconditionally guaranteed to meet your requirements. Prompt shipment on AA-5 or higher priority rating. Write for styles, sizes and prices today.



The Alchemist of Federal Reserve

(Continued from page 32)

duty is to do that and to present his conclusions for consideration to the President, to the Congress, and to the Cabinet. This person should probably be located in the Executive Offices and he should have advisory committees drawn from the Departments, from Congress, and from the various economic groups of the population. He should have access to all available information and responsibility for using the information in working out programs. Neither the President nor the Cabinet nor Congress can do this work. Someone must have the function of serving them and the country in this way. He should have no power beyond that of making recommendations."

He added:

"This program no doubt sounds presumptuous but think it over and give the country the benefit of your thoughts. There is a surprising unanimity in the trend of public opinion on these subjects; differences are largely over details. I think that if we find an overall program that will accomplish these results (maintenance of employment and a gradually rising national income) we shall not have fought this war in vain."

Jobs are the heart of the problem.

Money will make more jobs

TODAY we have an enormous public debt. Much of it is held by the bankers, but inflation has been avoided as yet. Some economists anticipate a wave of high spending when peace comes, but Dr. Goldenweiser thinks that the First World War taught us something. There will be spending, of course, but he thinks there will also be saving. The huge money total available will be adequate for investment which will make jobs possible. He thinks that the most effective way of stabilizing security is for the Government to see to it that everyone who is able and willing to work shall have a job.

He would not pay the prevailing wage to an emergency worker in government employ, and so would compel the ambitious and capable worker to find employment in private enterprise. Government should undertake a wide program of public works, timed to undertake more in periods of decline and less when booms were threatening. There must be government control in the future, he thinks. This plan involves less government control than any other being considered at present. But it is not a panacea. He never offers a cure-all. His preference is to present a program for discussion and experimental action. In all humility, he often says:

"The one thing we cannot afford to do is to drift."

He observes that, to find 58,000,000 jobs after the war, our national produc-

tion must be about \$170,000,000,000. He prefers to speak of production rather than income, because the difference between the two is largely two items; depreciation and business taxes; the dollar is merely a unit of measurement. The \$170,000,000,000 is an increase of about one-half over that of 1939, when the difference in prices is considered. To produce \$170,000,000,000 will require every effort of which we are capable. Hours of labor will be reduced to pre-war, but that can wait until essential needs have been met and we can afford to take it easier.

"Any reduction based on share-the-work policy would be short-sighted."

Minimum standard of living

HE WOULD maintain income by adjusting wages to increases in the cost of living and thinks the Government should guarantee to every American a minimum standard of living.

"There should be a standard below which no one need fall under any circumstances; a minimum of food, clothing, shelter, education and even of money."

He thinks big business knows the ropes so well that it can take care of itself, but small business must be helped during reconversion. He would give the FRB more power—"more influence" he calls it—over the expansion of credit than it has had since the great inflow of gold and would extend selective controls over speculative loans in the stock market, in real estate and commodities, and over too easy terms in installment credit.

"These weapons," says he, "should be added to the arsenal of restraints available to monetary policy."

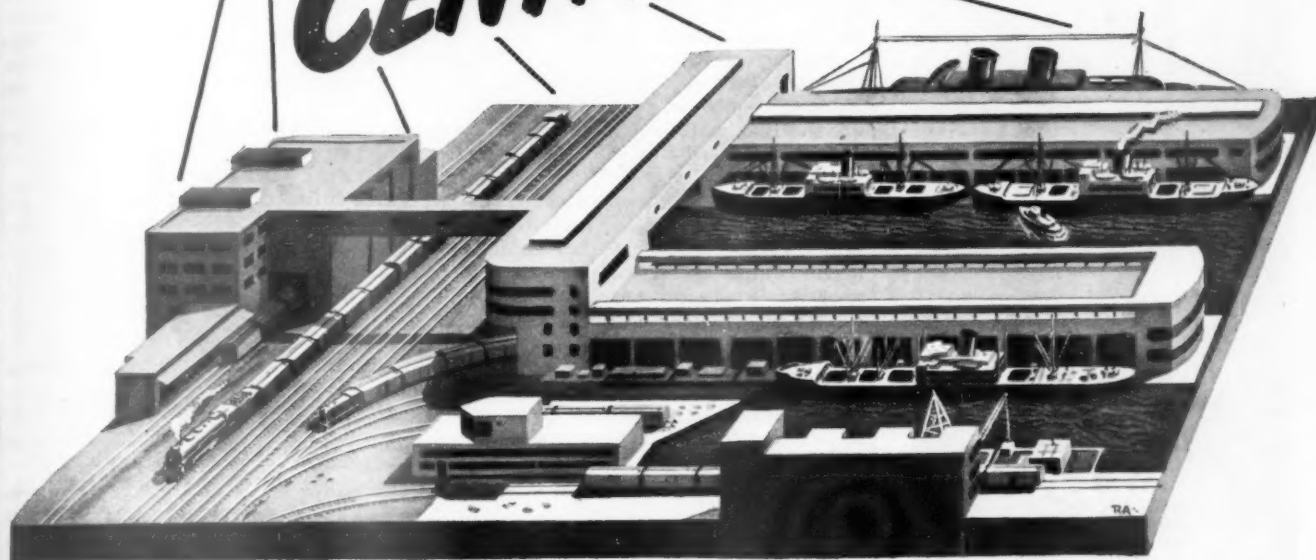
The gold standard is merely a mechanism. It worked fairly well under leadership, as when Great Britain was the money master of the world. From one point of view the Bretton Woods agreement may be said to re-establish the gold standard. In any case we are not going to have a beggar-my-neighbor policy. The multilateral trading plan offers a kind of accident insurance the old gold standard did not have.

He puts these ideas forward as suggestions only. He is convinced of their value but he urges that they be debated. We must consider every emergency. The Government—as has been said previously—should have a financial adviser. Mr. Goldenweiser points out that this adviser should be a man of wide experience and calm judgment, who can assemble and assimilate information for the Government's guidance. It would be the adviser's duty to formulate a policy he believed desirable, offer it for consideration, and of course stand ready to defend it. Win or lose he would be a big man in the world's eyes.

Nominations will now be in order.

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offers a post-war plus to the company with overseas markets or sources of supply. For this Railroad serves great modern harbors handling 80% of all Atlantic Coast foreign trade. And products speed over its Water Level Route to arrive "ship-shape at shipside."

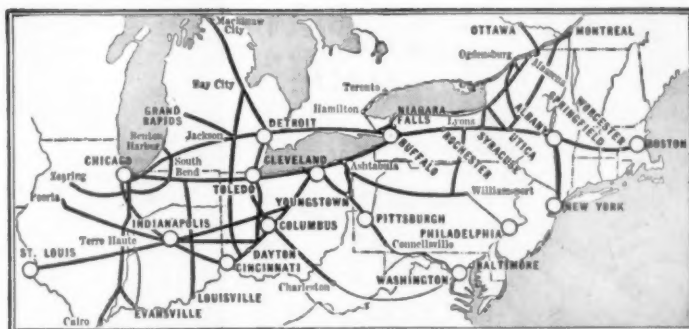
Yet that's only half the story. For a factory or warehouse siding on New York Central spells *central location* in the fullest sense.

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In keeping with the MARYLAND tradition, here is an expensive beer which critics regard well worth the tariff.

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YOU CAN LOAD THEM BLINDFOLDED

SPEED
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Mechanical simplicity is one of the features which make SPEED Swingline STAPLERS preferred above all others . . . Just swing back the head and drop staples into wide open channel . . . "SPEED" guarantees life-time trouble-free stapling \$1.50-\$5.50.



Ask for GENUINE, 100% ROUND WIRE "SPEED" STAPLES. In original Red, White and Blue carton only. GUARANTEED UNCONDITIONALLY. Precision-made; uniformly perfect alignment; achieve smoother penetration; free from the excess glue that causes machines to clog. GENUINE "SPEED" STAPLES are best for any standard machine!

SPEED PRODUCTS COMPANY
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Too Many Mouths to Feed

(Continued from page 24)

tion Administration report that millions of Europeans are on the borderline of starvation. They say that these peoples must have millions of tons of food if famine is to be averted.

The seriousness of the European situation was sharply emphasized by Judge Samuel I. Rosenman, special counsel to the President, in a report made on his return early in May from an inspection survey of liberated areas.

His report said millions of French, Belgian, Italian, Dutch, German and Norwegian people, particularly those in urban areas, will depend largely on food from the United States or face starvation.

"Except in rural, food-raising areas, a dangerously low level of nutrition generally exists," Mr. Rosenman said. "The needs of northwest Europe's liberated areas are grave, not only from a humanitarian aspect, but because they involve internal and international political considerations."

Europe was a food deficit area even in peacetime. It imported upwards of 15 per cent of its food resources—a supply which fell far short of providing a large segment of the continent's population with an adequate diet.

The war has greatly reduced Europe's capacity to produce.

planting operations over wide areas in Belgium, the Netherlands, Germany, northern Italy, Poland, Czechoslovakia, Hungary and Austria.

Thus, by official forecasts, Europe—in its first year of liberation—faces a slimmer diet than during its last year of German occupation.

The situation in Germany, Austria, the Netherlands, northern Italy and Czechoslovakia is expected to be acute.

Contributing to Europe's predicament is a breakdown in the food distribution system. Farmers tend to hoard their supplies or to divert them into black markets where only the wealthy are able to buy. Urban areas have been hard hit by the distribution breakdown.

All in all, there is little hope of getting the Continent back to a prewar food basis before '47 or '48.

Remember our promises

EUROPEANS naturally look to the United States for help in this hour of hunger. They remember that we sent them millions of tons of food after World War I. They remember also that we told them in radio broadcasts during the years of German occupation that our armies of liberation would bring food and other essential supplies. American food officials expect their pleas to grow more insistent as 1945 rolls along.

The question of sharing a larger portion of our own short supply with them will come to a head probably in the late summer or early fall.

Unless there is an administrative change in the meantime, the matter will go before a food allocations committee made up of representatives of the War Food Administration, the Department of State, the Foreign Economic Administration, the War Production Board, and the War Shipping Administration.

This committee has authority to say how much food may be sent overseas. Already two general lines of argument on the question of the division of food supply are developing.

One line urges allotment of increased supplies for foreign relief. It comes largely from the Department of State and FEA. The Department of State is interested, of course, in maintaining good relations with foreign countries. FEA is the clearing house for food requests of lend-lease nations and UNRRA, the international agency set up to supervise foreign relief operations.

The other line warns against further reductions in rations of American civilians lest such reductions arouse domestic unrest and discontent. This viewpoint is represented largely by WFA and many members of Congress. Each side paints pictures of what may happen if it loses. The foreign relief advocates declare that this country must send large



U. S. D. A. PHOTOGRAPH BY KNELL

The same percentage of our food as last year is going for relief

A report prepared recently by the Office of Foreign Agricultural Relations of the Department of Agriculture indicates that European production this year will be the smallest of the war period. Adverse weather last fall prevented planting of a full acreage of fall-sown crops such as winter wheat and rye, and fighting this spring disrupted

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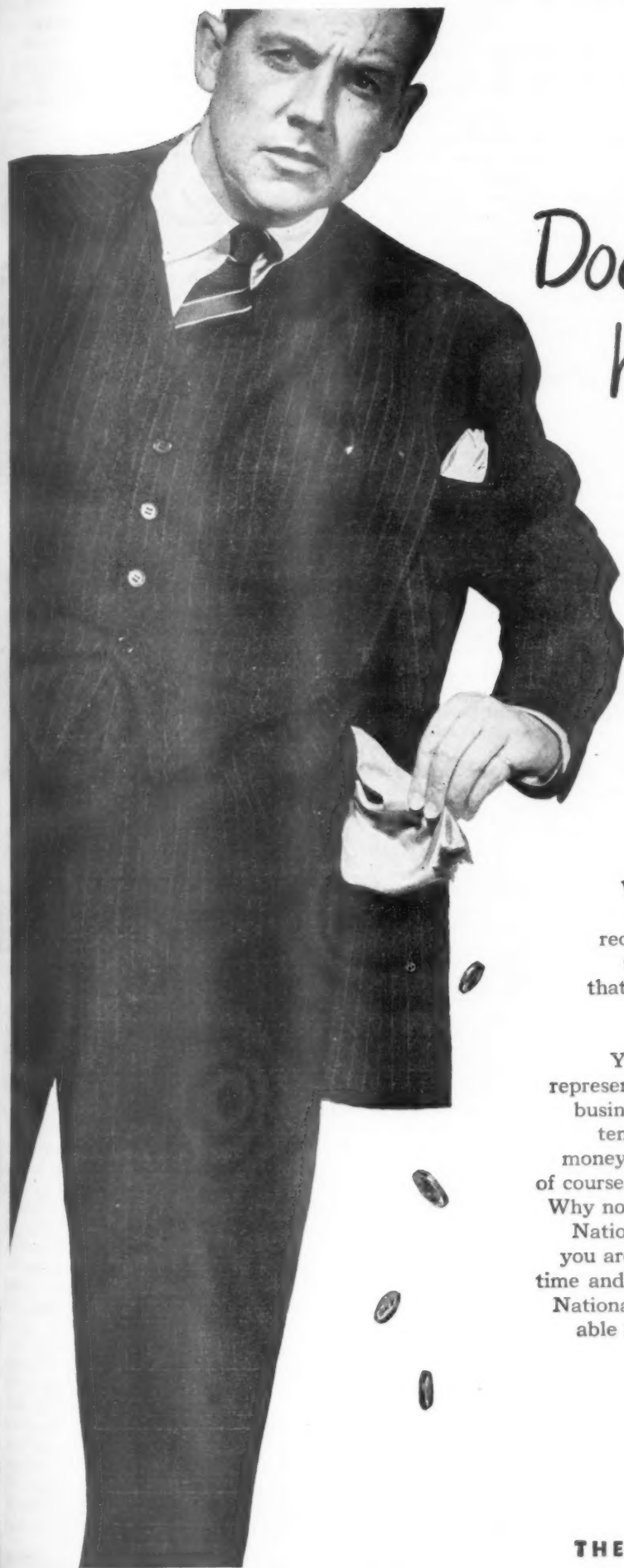
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Anything that increases the cost of running a business, or which cuts into its profits is a "hole in the pocket" of that particular business.

One of the most common of these figurative holes is an inadequate system of handling money and keeping records.

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Whatever the size of your business, there is a National System for handling payroll, accounts receivable, distribution of sales and costs, and all types of general business accounting. A system that can save you both time and expense.

A Way to Save Money!

You need not take our word for this. A National representative will be glad to discuss the problem of your business and recommend a tailor-made National System designed to plug any holes that may be losing money for you in your business. No obligation to you, of course.

Why not call in the National Representative? Check the National System he recommends against the system you are now using. Unless you can see a saving in both time and money in black and white, do nothing else.

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amounts of food abroad for two reasons:

1. It is the humanitarian thing to do.
2. It is to our self-interest to do so.

They stress the self-interest reason. They say that an acute shortage of food in occupied and liberated areas could be expected to cause disorders and riots which would endanger the lives of soldiers we will maintain there until political, social and economic stability can be established. They point out further that starvation leads to diseases and plagues which would also endanger our soldiers and might spread to other continents, including our own.

Relief or demagogues

THE foreign relief advocates argue that conditions growing out of a severe food shortage are not conducive to the kind of peace for which this country has given thousands of lives and billions of dollars. Hungry people do not tend to be wise or even-tempered. Often they are not even reasonable. They are not likely to build durable political institutions.

Our failure to supply food, say the relief advocates, could easily lead European countries to turn to demagogues as anti-democratic and as anti-American as were Hitler and Mussolini.

They also point out that this country must supply food because relief has been promised.

Arguments on the other side are to the effect that, if essential minimum foreign relief requirements are met, civilians in this country will have to get along with even less food than they are receiving now. They will get less sugar, fewer dairy and poultry products, less rice, less food fats—such as butter, margarine, shortening, lard and salad oils—and no more meats than the present low rations. This would mean further tightening of rationing restrictions.

The furor aroused in Congress and by consumers over current shortages of meat would be as nothing compared with public reaction if Americans, weary with wartime restrictions and shortages, face added restrictions now that the fighting in Europe is ended.

Officials responsible for rationing the civilian supply argue also that it may not be feasible to reduce rations below present levels. Lt. Col. Ralph W. Omstead, then director of WFA's office of supply, raised this point in his testimony before the Senate committee:

"The possibility of meeting minimum lend-lease and liberated-area requirements in the face of increased military requirements is largely a question of the desirability and feasibility of further reductions in civilian consumption in the United States and Canada. The feasibility of such further reductions is largely a matter of whether adequate controls could be devised and enforced that would achieve a sufficiently equitable distribution of the reduced supply."

Food officials say that tighter ration orders tend to increase patronage of black markets which, in turn, tends to create a maldistribution of supplies under which low-income groups suffer.

How will the allocations committee decide this issue?

Only guesses can be made.

However, leading food officials believe that, in the beginning, the committee will tend to hold foreign relief shipments to a minimum in an effort to keep our civilians as nearly satisfied as possible. Relief will consist largely of wheat and flour, small quantities of food fats, and some dried peas and beans.

As the year moves into the fall and early winter, relief demands, they predict, will grow more insistent, especially for larger quantities of the so-called health protective foods—dairy and poultry products, meats and canned fruits and vegetables. A diet of bread and potatoes will not be sufficient to keep Europeans orderly or put them in physical condition to help rehabilitate their countries.

Looking ahead, food officials say, such a situation will probably bring on the anticipated difficulties, a development which will awaken Americans to the necessity of dividing a larger portion of our supplies with the hungry abroad.

Then and then only, these officials predict, will the allocations committee feel free to send larger amounts of food abroad. This, of course, would bring shorter rations to our own civilians.

Food supply will be tight

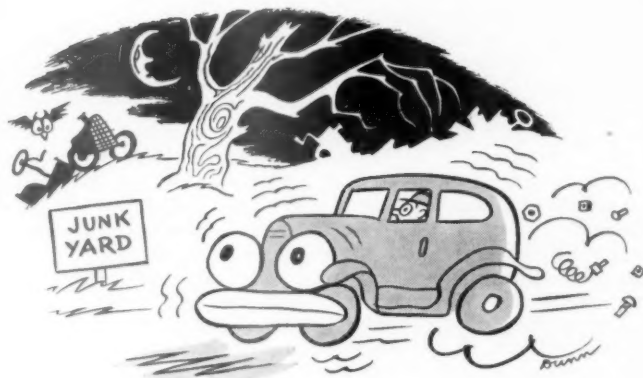
THE extent of the possible future belt-tightening for civilians will depend in part on how this year's production of crops and new livestock turns out. Agriculture department experts say that, if average weather conditions prevail, total production of food this year will be from five to ten per cent below last year's record quantity. Should we encounter drought conditions, production would drop much more and a serious food situation could develop.

Food officials are saying little publicly about the possibility of slimmer civilian diets or the extent of European relief needs. Some officials believe the administration would be wisely advised to take the public into its confidence now on the prospects rather than to await developments. They contend that advance knowledge would help civilians prepare for the situation by doing all in their power to produce and conserve food. Meanwhile, should relief needs turn out to be smaller than now indicated, the civilian reaction would be favorable.

The situation could well develop into a major issue in next year's elections, when Republicans will be striving to wrest control of Congress from the Democrats. The tight food situation could extend well into the campaign. The issue would be all the more important should Europe suffer a winter of dire hunger, and hopes for a sound peace structure be thereby impaired.

Your Bill for Car Repairs

By HYNES PITNER



Better count on spending \$11.57 a month
if you want to keep on driving your car

For several weeks I have been talking to car dealers, garage men, mechanics, service station attendants and a few master minds of the automobile industry. To our remaining 20,000,000 motorists, I have an unpleasant report to make:

If you drive, better lay aside \$11.57 a month for the next 24 months for car maintenance—exclusive of gasoline and oil—or you will find yourself traveling by street car or bus. Your chances of getting a new car in less than two years are mighty slim.

Newest cars in use today are about four years old. Fewer than 20,000 new cars, 1942 models, are left for rationing. ODT finds that more than half of the cars now on the road are more than seven years old.

Your car needs good care

THE Salvage Division of WPB estimates that auto graveyards wrecked 1,196,000 cars in 1943. Figures for 1944 have not been published, but it is estimated passenger cars are wearing out at the rate of 150,000 a month. When we get down to fewer than 20,000,000 passenger cars, says the Brookings Institution, serious transportation difficulties will develop.

According to Ward's Automotive Year Book, about 25,500,000 passenger cars were registered in 1943 compared with 29,600,000 in the peak year, 1941. For 1944, R. L. Polk & Co. places registration at 24,048,711. At the estimated junking of 1,800,000 a year, millions will be "back on their feet."

Let's suppose Mr. Motorist owns a Ford, Chevrolet or Plymouth. Here is what experienced maintenance men say he needs to keep his car in service the next 24 months, provided he can get the necessary parts and labor:

	Labor	Material
4 tires and tubes		\$71.60
1 muffler	\$ 1.70	2.60
1 tail pipe	1.50	1.00
2 front wheel bearings	5.45	3.40
2 windshield wiper blades		.70
1 set head & tail lamp bulbs		2.75
1 generator	4.50	4.75
1 fan belt	.50	.85
1 set radiator hose	1.10	.80
2 oil filters		3.50
1 distributor overhaul	3.75	1.90
1 set spark plugs		5.20
1 storage battery		10.60
2 battery cables	.75	1.20
1 set ignition wires	1.20	4.85
1 water pump	.75	3.40
1 fuel pump	1.70	5.00
Clean carbon, grind valves	11.75	1.40
Adjust motor bearings	12.25	2.75
Flush radiator and cooling system	3.15	1.75
Reline brakes	7.25	6.40
Reline clutch	8.50	3.00
Install new piston rings	19.75	9.10
Adjust carburetor	3.50	
Refinish body	25.00	15.00
	\$114.05	\$163.50
		114.05
Total	\$277.55	
Monthly average	\$11.57	

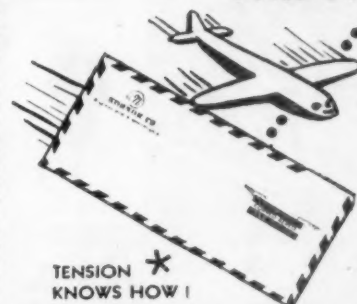
These items are for necessities, not accessories. Labor cost is based on an hourly rate of \$1.75; material prices are from car manufacturers' 1935 schedules.

Related to the \$11.57 Mr. Motorist must spend each month is the report that something big is going on in the car service business. I had a visit recently from a former dealer, Fred Higgins.

"Think I'd like to get back into the business," he said.

Fred had had a nice spot in Columbus, O., from 1935 to 1941, and did a comfortable gas and oil business, and sold quite a few tires, batteries and acces-

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series. Then came Pearl Harbor, rubber rationing, gas rationing and other automotive headaches, and before long there was a **FOR RENT** sign on his station and he was working in a war plant. He wasn't the only one.

According to G. Benny Moore, managing director of the Gasoline Pump Manufacturers' Association, an exhaustive survey has revealed that 440,000 retail outlets for petroleum products were in business as of January 1, 1942, and that 105,000 or 23.9 per cent subsequently closed down.

"How come the change of heart, Fred?" I asked.

"I own a car," he answered.

"Lots of people own cars," I said, "but they don't all want to go into the service station business."

He pushed his chair closer.

"There's a guy running a station a block from my house. He's as important to me now as my family doctor. I never pull in there for gas but what he gives my car a good once-over."

"You used to give good service yourself," I reminded him.

"But usually against the customer's wishes. Before the war a station man had to be a real salesman just to sell a quart of oil. Nowadays any suggestion is the same as a sale."

"Yes," said Fred, "if I need my service station that badly, other car owners certainly need a guy like me. I'm not being just noble. There's plenty of dough to be made."

Fred Higgins and I spent a couple of hours talking about the comparatively few little fellows able to handle sales and service for the 20,000,000 motorists who are determined to keep rolling until new cars come off the production line. I showed the schedule of "musts" that make up the \$11.57 per month average expenditure and reminded him, of course, that he could sell all the gasoline he could get.

I also played fair and told him the other side of the story. He might open his old place, but that would mean longer hours than he's now working. I reminded him the tire situation was still cloudy, and while the accessories picture was brightening considerably, he'd probably find himself shy just the size fan belt a customer needed.

Nor should he forget that he, like many stations, would not be equipped to reline brakes, install piston rings and refinish bodies.

But Fred was smiling when we shook hands.

"You'll be hearing from me," he said. "Thar's gold in them thar cars."



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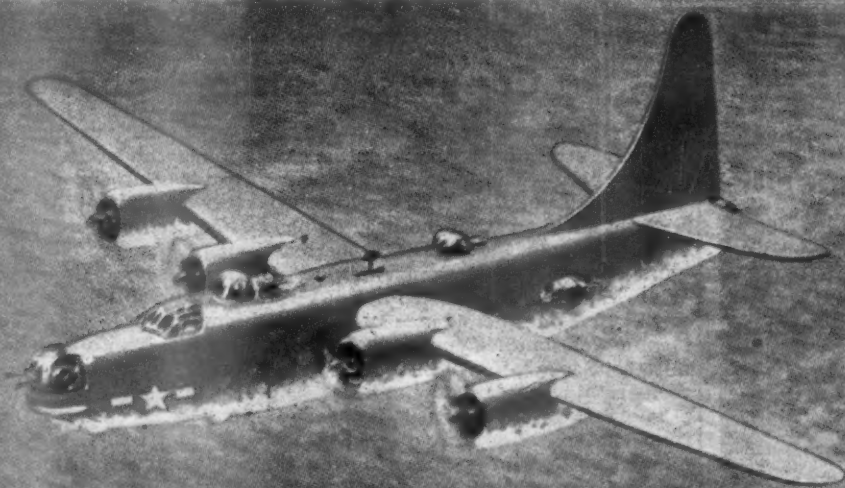
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Congress Gets a Bigger Role

(Continued from page 22)

plow the straightest furrow in Jackson County. His Senate colleagues agree that he had not forgotten the knack of straight plowing when he became head of the Truman Committee. Experience gained there, they feel, may guide his White House actions in two ways: First, it will give him confidence in the findings of well-handled congressional committees. Second, it will mean the end of reckless government spending.

The first conclusion may be speculative. The second is drawn from his denunciation of wild spending during the defense preparation program and his recent prompt request for the repeal of part of the shipbuilding appropriations and contract authorizations and a reduction of over \$80,000,000 in war agency budget estimates. The records of the Truman Committee reflect his attitude on industrial reconversion and readjustment of the economy to peace levels. This is on record.

Keeping a sound economy

THE Committee's last annual report, over the Truman signature, says:

"The problem to date has been to produce as much war materiel as possible. The problem now and for the future will be to produce as much more war materiel as will be required and at the same time to maintain a sound, healthy economy capable of providing useful employment for all of the facilities and labor which might otherwise not be fully utilized.

"If the home economy is permitted to weaken and lose the resiliency necessary for quick and successful conversion to peacetime occupations it will not be able to provide employment for soldiers and war workers when they are released from their present tasks.

"A sound civilian economy is an absolute essential to waging a long war. We have a direct obligation to our soldiers and sailors and our war workers to provide them with jobs and decent living conditions, a task that can be accomplished only if civilian production can be resumed quickly and on a large scale and with a minimum of red tape."

Greater economic impacts, government contract shrinkages, large blotches of unemployment and possibly the much feared mass evacuation of vital Pacific war production posts in a scramble for job security are threatened now.

The real test, Congress agrees, is coming. It accentuates the necessity for White House-Capitol teamwork in meeting the problems.

The new President is no expert on tax matters. He will need, and he has said so, expert guidance on that vitally important front. It is the present guess on The Hill that postwar taxes, despite the

off-the-cuff predictions of late, will be much the same as they are now, as to rates. But encouragements are almost certain to be written in to give business, small as well as large, incentive to expand and produce the goods necessary for the maintenance of employment.

Studies of general tax plans and specific programs have been under way at the Capitol for months. Discussions have brought proposals to light piecemeal. Some appear to go beyond anticipated Treasury Department recommendations. Congressional friends predict that Mr. Truman will seek guidance and follow advice, not on technical formula or on sociological reform, but on anticipated general economic results from a situation born of the impact of unprecedented peace and war spending. Many on The Hill believe he will support proposals likely to be recommended, looking to these things:

Agreement on a date for elimination of the excess profits tax, to give industry an opportunity to plan and build up reserves for postwar production and distribution operations;

A refunding of an estimated \$1,500,000,000 of excess profits taxes for 1942-43 (representing ten per cent of the total paid in) at a specified time, instead of in installments;

Providing for credits on current tax payment for additional excess taxes paid since 1943, rather than issuing bonds for future redemption;

Raising the excess profits exemption from \$10,000 to \$25,000 as an incentive and direct aid to smaller business; and

Letting corporations estimate losses in advance and deduct their credits from current taxes.

Congress has no illusions as to non-political appointments by Mr. Truman. But Congress expects appointments to be good ones usually. If they get too bad, it is promised, there will be trouble.

It is, of course, possible—though unlikely—that all these points of view can change over night. Congress, as well as downtown Washington, knows that a political honeymoon is unpredictable as to duration. Political history demonstrates that such honeymoons, under any auspices and circumstances, do end. Even then, the situation is favorable to business men and citizens who, reasonably, have closer acquaintance with, and more control of, our congressmen than with the Administration.

The citizens' representatives today, though not necessarily in the driver's seat, are at least in a position to advise the driver and—in real emergencies—turn off the ignition switch until complete agreement on the route is reached.

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About Our Authors

Charles P. Trussell: Sees business men and citizens generally taking a greater part in government as the result of the change in administration. In his contacts as congressional correspondent for the *New York Times*, he finds the legislative branch—which most quickly reflects public opinion—expecting a rebirth of the powers which it has delegated to others over the past several years.

Ovid Martin: Has studied all phases of the food situation as a part of his work of covering agriculture for the *Associated Press*.

Lee H. Hill: Is vice president in charge of personnel relations for Allis-Chalmers and has served on the National War Labor Board as an alternate industry member.

Jack B. Wallach: Whose daily work is to write about legitimate retailers and their problems became interested in a current phenomenon: In 1929, currency in circulation totaled \$3,600,000,000. In 1944 it was \$23,000,000,000. His article resulted from his investigations.

Junius B. Wood: As a foreign correspondent, watched the working out of reparations after the last war and became impressed with the repercussions that are bound to follow any effort to make the Axis pay for this one.

Herbert Corey: Having seen much of the literature CIO has produced recently, called on the men who produce it. What they told him will interest business men who want to know about all union activities.

John Jay Daly: Long time Washington newspaper man, feature writer and free lancer owes his interest in foreign trade to recent experience with the Office of the Coordinator of Inter-American Affairs.

C. C. Campbell: Is familiar to most of our readers as a Washington writer and observer.

Hynes Pitner: Is vice president and sales manager of the Paris Tire & Rubber Company, Newark, Ohio.

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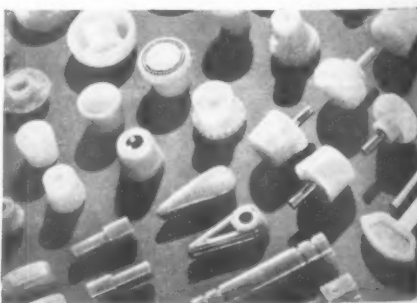
Among the many Process Products used in paper making is one that makes packages resistant to water.



Construction of concrete work such as in this dam is speeded by use of concrete form greases from petroleum.



Autoclaves used in making safety glass for automobile windshields, employ a Process Product as a circulating oil.



The growing plastics industry employs new products from petroleum as plasticizers for many synthetic resins.

Capital Scenes... and What's Behind Them



Belated explanation corner

HERE are the inside facts about an incident that occasioned much talk at the time. Heads wagged like ripe wheat all over the country when almost every slick paper magazine carried a picture showing:

- A. A piano;
- B. The then Vice President Truman;
- C. A movie star seated on the piano top, manifesting legs.

The impact of the incident is that it may have reduced the amount of trust which the present President of the United States will hereafter repose in his fellow man. Viewed from that angle the end product may be very good. For some time Mr. Truman will be dealing with a great many fellow men.

It just happened that way

THE newspaper photographers cried to Howard Acton:

"This party's flatter than spilled milk. Whyn't you dig us some good stuff? G'wan, Howard."

Mr. Acton always cooperates with the photographers. They please him by making things happen. He said that the then Vice President Truman had just entered the auditorium of the National Press Club, and might consent to play the piano. Mr. Acton added that he is a good fellow. The photographers said



that was swell, and would Howard fixit? They rolled the Press Club piano out on the stage. Mr. Truman sat down and got ready to play. A commando of photographers dashed in with Lauren Bacall, popped her on the piano, and began to shoot light bulbs. Mr. Truman turned a warm pink but he was game. In the book of the abashed Mr. Acton he passed with high marks.

"Suppose he had ducked out of there? What a sap he'd have been."

Those who remember when Mr. Morgan unexpectedly found a midget being photographed in his lap feel that the incident may even have advantages. People laughed heartily at Mr. Morgan until they found out the details. Then they applauded his sportsmanship.

Of professional interest

MRS. Eleanor Roosevelt is a candidate for a seat in the Senate Press Gallery.

She is backed by the girl reporters who felt they were especially favored by Mrs. Roosevelt in her daily distribution of news and whatnots and by the men members of the Gallery committee who say that her column "My Day" entitles her to rank as a working newspaperwoman. She is opposed by the girls who felt they did not get the best of her occasional talks and by the men who say she no longer has a residence in Washington and is therefore not eligible.

Mrs. Roosevelt—just between us—doesn't care.

Look at the future

THE Army—meaning the railbirds who gather gossip—fears that, for the most part, the German murderers who killed and clubbed and tortured and starved their unfortunate prisoners, will escape punishment:

"We might get a few against the wall."

The Army's theory is that it would take forever to try the murderers before a civil court. Presently we would be tired and softhearted and brotherly and witnesses would have taken powders and diplomats—except the Russians—would begin to do double takes and whet up their semantics and the courts would just peter out. The Army admits that the murderers should be punished, but does not like the idea of making a St. Valentine's Day massacre out of the process:

"It was swell," says the Army, "when the rest of us could stand back and watch Al Capone's killers do their stuff. Gave us something to talk about. But the fact is that we are not going to like to do it ourselves."

A tough job for Bob

WHICH leads up to a commiseration for "Bob" Jackson, who has been relieved from a summer's work as a member of the Supreme Court to prosecute the Nazi murderers. Mr. Justice Jackson is highly regarded. He likes horses, rides 'em, breaks 'em and in an unregenerate earlier period traded 'em. The lawyers say he is a mighty good lawyer. It will do the Supreme Court no good to have one of its best members given this assignment.

Nor will it do "Bob" Jackson any good.



Because he is a lawyer, he believes in precedent, the sanctity of law, the protection of witnesses, and all those quaint fancies the Nazis disposed of but which will be their shield and buckler in the trial. They will ask for postponement, deny jurisdiction, allege bias, and play all the fancy tricks any shyster can think of. Because "Bob" Jackson is a good lawyer he will listen to each angle. By the end of 1950 he may be able to see the manifold case really under way.

"Stinks for the POW"

BRIG. Gen. B. M. Bryan talks regular army style, which has a fleeting resemblance to the manner of a discouraged top sergeant dealing with left-footed recruits:

"The German prisoners of war are not pampered," he said. Details of the not pampering followed:

"Of course, we sell 'em toilet water, hair goo, cheek greases, and Sweet Knights perfume over the counter at the PX's. They pay out of the 80 cents a day allowed them by the Geneva convention and we keep the money in the country. If they want to stink themselves up—why not?"

Diplomacy in the archives

THE news in this paragraph is that if the archives in the National Archives building were placed in ordinary four-drawer green filing cases and set side by side the line would stretch 525 miles—

"More coming every day—probably by the ton—"

But the interest is in the story told by Dr. Solon J. Buck, the National Archivist. He gets all sorts of letters from people who do not know just what an archive is. One was from a mildly love-lorn soldier:

"I want to marry her," he wrote, "and she loves me dearly. But she says she'll be darned if she will wash dishes. What shall I do?"

Sample of high diplomacy from the National Archives:

"With all my heart," wrote Dr. Buck, "I hope you will be very happy."



Symposium on Stettinius

NOT long ago every one loved Ed Stettinius. (At that time the habit grew of calling him "Ed".) At least almost every one liked him. He is so handsome he is almost blinding, what with his silver hair and his ivory teeth and he shakes hands well and he is rich and has a lovely wife and nice children and a Virginia plantation with saddle horses. He was often several furlongs behind President Roosevelt in matters of high diplomacy, but that was as it should be. Mr. Roosevelt wrote the diplomatic ballads, set them to music and sang them himself. Stettinius seemed to be getting the hang of the State Depart-



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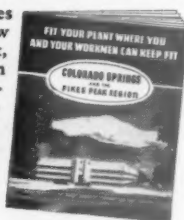
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AMERICA'S FINEST YEAR 'ROUND CLIMATE

ment, he was reforming its methods, he had substituted the telephone for goose quill and pokeberry ink in its communications and was teaching his subordinates to answer letters the same day instead of in the dark of the moon. The reporters—a dark, slash-mouthed, dyspeptic set—seemed to feel that he might be worth a little bet in the winter books. Provided, of course, that he summered well.

Giving him the works

NOWADAYS the Secretary of State must think he is walking through the Dark Forest in which Indians lurk behind every tree. He



talked turkey to Molotov. That proved that he is either a sturdy American, game to yank the necktie of any dictator, or a confused amateur in politics. He either held hands with Mr. Eden through the sessions of the fix-it committee or else Mr. Eden made a habit of swiping his fountain pen. He berated Mr. Eugene Meyer, owner of the *Washington Post*, for an editorial reference to "bush-league diplomats" in the State Department. Mr. Meyer also has plenty of tobacco in the old tobacco box and does not scare easily. Reporters took wild chances with their angina pectoris as they galloped for the telephones. A photograph showing Mr. Stettinius being pained by a corn shook the world like a jelly. When he and Molotov smiled at each other Hitler's death story retreated to the market pages.

Assessment of character

THE underlying reason for this painful processing is that if—which Heaven forbid—Mr. Truman should die, the Secretary of State would succeed him. This direction is not to be found in the Constitution, but is a statutory enactment. Congress has it in its power to provide that another member of the Cabinet—the Secretary of Commerce, for example—shall succeed on the death of a President. No one suggests that anyone is thinking of any such thing, of course, but there are currents in congress and Mr. Stettinius's future may be riding around in one of them.

Rash prediction for free

ON Capitol Hill these prophecies are heard:

That President Truman will not shake up the administration, but that he will not pass over inefficient administration; he may, for instance, approve Chester Bowles and the OPA—as he has—but that he will send out word that the underlings quit playing with matches.

That he will assent to a direction for better management of the food problem, if one is suggested by the House Committee on food troubles, which apparently has a lot on the ball.

That he wants more business men in government and is very tired of the people every one here calls "the professors."

That coffee hours will be shorter for government clerks and that the lists of employed will be pared to a business man's standard.

That he will listen to Senator Byrd, who has been the chief critic of administrative extravagance, and although he reappointed David Lilienthal to a nine-year term as head of TVA, he will be friendly to Controller General Warren's insistence that the TVA accounts should be audited and that the TVA should be given funds by Congress instead of permitting the Authority to do what it pleases with its profits.

Mr. Truman's relations with Congress will continue to be good. The honeymoon is still enjoying June weather.

A worm in the nut

MR. TABER of New York—who joins with Mr. Rich of Pennsylvania in asking Congress where it is going to get the money—revived an old story. A small boy put the finger on a criminal for whose arrest a reward of \$10,000 had been offered. A benevolent banker said:

"That's a lot of money for a little boy to handle, Sonny. What's the first thing you're going to do with it?"

"Count it," said the small boy.

Messrs. Rich and Taber were jointly disliking House Joint Resolution 145, which provides that, for five years, the United States shall pay up to \$5,000,000 annually as its share of the costs of the International Food Organization. Its function will be to gather statistics and farming theory for the edification of the farmers of the world.

Maybe it's a good one

THE Messrs. Rich and Taber point out that the idea had been conceived in secrecy at the Hot Springs Conference, where even congressmen were given the toss along with newspapermen. It has never, they say, been "justified" to Congress. We used to chip in \$65,000 a year against the costs of the "Rome Conference" the purpose of which was to gather agricultural statistics. It may cost as much as \$5,000,000 a year to do about the same thing. The House adopted the resolution 291 to 25, 116 not voting. No one, so far as shown by the Record, asked any questions about Paragraph 2 of Article 12, of the Constitution of the Organization:

"The Director General may, subject to any decisions of the Conference, enter into agreements with other public international organizations for the maintenance of common services, for common arrangements in regard to recruiting, training, conditions of service and other related matters—

Now it is up to the Senate.

